

The
Maryland Insurance
Administration's 2002
Report
On
The Health Care Appeals &
Grievance Law

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Commissioner

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I. EXECUTIVE SUMMARY

The Appeals & Grievance Law passed by the General Assembly in 1998 established a procedure for consumers to appeal decisions made by health maintenance organizations (HMO's), insurers and nonprofit health service plans (also referred to as "Carriers" or "health plans") that a covered health service is not medically necessary. The law took effect January 1, 1999, and was codified at § 15-10A *et seq.* of the Insurance Article. One key component of the legislation was a consumer's right to internal and external review where care is denied on the grounds that it is not "medically necessary." This law also gave the Maryland Insurance Administration (the "Administration") authority over private review agents and established a new statutory process to certify medical directors of HMOs. Regulatory oversight of private review agents and medical directors is codified as Title 15, Subtitle 10B and Subtitle 10C, respectively.

The Appeals & Grievance Law was revised in 2000 to: 1) clarify that Carriers must send written notice of the adverse decision to the member and the member's healthcare provider within five working days of Carrier rendering the adverse decision; 2) require that the written notice inform the member that the Health Education and Advocacy Unit of the Consumer Protection Division of the Office of the Attorney General ("HEAU") is available to assist the member; 3) establish the authority of the Commissioner to conduct market conduct examinations of private review agents; and 4) clarify the private review agent law so that the Commissioner could implement the private review agent statute in accordance with the provisions established by the enactment of Chapter 112, Acts of 1998.

In 2001 the law was amended to: 1) require Carriers to allow members or healthcare providers acting on behalf of members to file a grievance 180 days after the member receives the adverse decision for a retrospective denial; 2) allow a member or healthcare provider on behalf of a member 30 working days after the receipt of a grievance decision to file a complaint with the Commissioner to review the grievance decision; and 3) require all Carriers to report the number of adverse decisions issued by the Carriers to the Commissioner on a form required by the Commissioner. In addition, the law was amended to provide that §§15-10B and 10D of the Insurance Article apply to health maintenance organizations (HMO'S), and that under certain circumstances a private review agent's grievance decision must be based upon the professional judgment of a board certified or eligible physician.

This report summarizes the data reported to the Administration by the Carriers for calendar year 2002 as required by § 15-10A-06 of the Insurance Article. This report also summarizes complaint information and the enforcement activity of the Administration for calendar year 2002. Reports have been submitted since 1999.

Pursuant to § 15-10A-08 of the Insurance Article, the HEAU is also required to submit a report in November of each year. The HEAU report is based on a fiscal year

and as such, the data contained in the Administration's report and HEAU's report do not measure activity for comparable periods of time.

II. MARYLAND'S APPEALS & GRIEVANCE LAW

The process is divided into two parts: a) the internal review which is conducted by the Carrier; and b) the external review which is conducted by the Administration and occurs if the member is dissatisfied with the Carrier's decision at the internal level and files a complaint with the Administration.

A. Internal Review: The Carrier's Internal Grievance Process

The Appeals & Grievance Law requires that if the Carrier denies services based on lack of medical necessity, the Carrier must provide the member a written "adverse decision" within five (5) working days of the decision.

The written adverse decision must:

- State in clear and understandable language the specific factual bases for the decision.
- Reference the specific criteria relied on to make the decision.
- State the name, address and phone number of the person responsible for the decision.
- Explain in detail the Carrier's internal grievance process.
- Inform the member that the HEAU can assist him.
- Provide the address and telephone number, facsimile number and e-mail address of the HEAU.
- Inform the member that they have a right to file a complaint with the Commissioner within 30 working days after receipt of a Carrier's grievance decision if the member is dissatisfied with the outcome.
- Inform the member that a complaint may be filed without first filing a grievance with the Carrier if there is a compelling reason.
- Provide the Commissioner's address, telephone number and facsimile number.

If the member, or a provider acting on behalf of the member, wishes to challenge the adverse decision of the Carrier, the member must go through an internal process which is established by the Carrier. However, if the case involves a compelling reason, the complaint may be filed directly with the Administration.

This internal grievance process must provide:

- An expedited procedure for use in an emergency case for purposes of rendering a grievance decision within 24 hours of the date a grievance is filed with the Carrier.

- That a Carrier render a final decision in writing on a grievance within 30 working days after the date the grievance is filed. If the grievance involves a retrospective denial, the Carrier has 45 working days to render a decision.

The grievance decision shall:

- State in clear language the specific factual bases for the decision.
- Reference the specific criteria relied on to make the decision.
- State the name, business address and business telephone number of the person making the decision.
- Inform the member that he has a right to file a complaint with the Commissioner within 30 working days after receipt of a Carrier's decision if the member is dissatisfied with the decision.
- Provide the Commissioner's address, telephone number and facsimile number.

Consumers may receive assistance through the internal grievance process from the HEAU.(Appendix A) The HEAU will attempt to mediate disputes between the member and the Carrier or, in the appropriate case, help the member file a grievance.

B. External Review: Appeals & Grievance Complaint Process at the Insurance Administration.

If the complainant is dissatisfied with the grievance decision, the complainant may file a written complaint with the Administration.(Appendix A) The Administration will conduct an investigation by examining all relevant information including the patient's medical records and information from the Carrier.

Once the Carrier's response and all relevant information is received, the case is reviewed to determine if it needs to be referred to an Independent Review Organization ("IRO") for medical review. A matter may not be referred to external review for several reasons, including the absence of jurisdiction by the Administration, or because the Carrier has decided to provide the services in question. It may be determined that a complaint is not within the jurisdiction of the Administration either because of ERISA, which preempts the State in cases involving self-insured health plans, or because the complaint involves government plans such as the Medicare or Medicaid programs, etc. If so, the complainant is notified of this determination by mail, and the complaint is transferred to the appropriate agency. Complaints that relate to quality of care are referred to the Department of Health & Mental Hygiene ("DHMH") for review. (Appendix A) If a complaint has a medical necessity component and a quality of care component, then both the DHMH and the Administration will investigate the portions of the case over which these respective agencies have jurisdiction.

If the Administration determines it has jurisdiction and the complaint involves a denial based on the lack of medical necessity (as opposed to denials based on specific contractual exclusions), the case will be referred to the IRO. When complaints are referred to an IRO, the IRO is requested to examine the utilization review criteria applied in the case, as well as the specific judgment of the Medical Director made under the utilization review criteria. If the IRO's recommendation is to overturn the Carrier's denial, an Order is issued against the Carrier. The Order is forwarded to the Carrier and accompanied by a notice that the Carrier has the right to request a hearing. At the same time, the complainant is notified of the outcome. Orders may also be issued as a result of failure to comply with the procedural requirements of the law, i.e., failure to issue a written notice of adverse or grievance decision.

If the IRO's recommendation is to uphold the Carrier's denial, the complainant is notified by mail and informed that he or she has the right to request a hearing. The Carrier is also informed of this decision.

Complainants may withdraw their complaints during the investigation. Also, some complaints are closed because the complainant fails to respond to a request for information. This only occurs after at least one written warning is issued to the complainant stating that the file will be closed unless additional information is provided. In addition, Carriers may reverse their original denials for a number of reasons, including following a review of information submitted during the appeals process. Maryland law allows health care providers to file complaints on behalf of the patients being treated.

III. ERISA PREEMPTION OF STATE MEDICAL NECESSITY REVIEW LAWS

The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law regulating employee pension and benefit plans. ERISA establishes comprehensive minimum standards for pension plans and some standards for health benefit plans. ERISA affects state laws as follows:

1. ERISA preempts state laws that "relate to" employee health plans.
2. ERISA "saves" from preemption state laws that regulate insurance.
3. However, even state laws that are "saved" from preemption because they regulate insurance can be preempted if they conflict with a substantive portion of ERISA.

Maryland's medical necessity review laws have withstood preemption challenge under ERISA.

In June, 2002, the Supreme Court of the United States held that ERISA does not preempt state legislation that requires binding external review of medical necessity

determinations by health insurers. In *Rush Prudential HMO, Inc. v. Moran*, 536 U.S. 355, 122 S.Ct. 2151 (2002), the Supreme Court rejected a challenge to an Illinois statute that required an external review by an independent medical expert of a health maintenance organization's denial of coverage of a medical service on the ground that it was not medically necessary. Under the Illinois law, if the independent expert found that the service was medically necessary, the HMO was required to pay for the service.

The Supreme Court concluded that the Illinois statute did relate to the operation of employee welfare benefit plans and, thus, fell within the ambit of the ERISA preemption statute. However, the Court also found that the Illinois statute was saved from preemption as a law that regulates insurance, because the law was directed at the insurance industry. In reaching that result, the Court expressly found that while HMOs may be health care providers, they are also health care insurers, because they bear risk – a defining characteristic of an insurer.

After completing the traditional ERISA preemption analysis, the Court examined the Illinois law under principles of ordinary conflict preemption. Significantly, *Rush* confirmed the principal that a state law that would otherwise be saved from preemption as the regulation of insurance might still be preempted if it is in conflict with ERISA's exclusive enforcement mechanisms. Applying that principle, the Court concluded that the Illinois statute did not violate that standard, because it did not provide a new judicial cause of action and authorized no new form of ultimate relief. The impact of the state law was to replace the HMO's judgment as to what is "medically necessary" with the judgment of the external reviewer. The statute did not, however enlarge a participant's remedies beyond the relief available under ERISA. The insured's available ultimate relief remained a suit for benefits in federal court under ERISA.

Relying on *Rush*, in November, 2002, the Court of Appeals of Maryland rejected an ERISA preemption challenge to Maryland's internal and external review laws. In *Connecticut General Life Ins.Co. v. Ins. Comm.* 371 Md. 455 (2002), the Court held that Maryland's Appeals and Grievance law (codified at subtitles 10A and 10B of Title 15 of the Insurance Article) and Maryland's Unfair Claim Settlement Practices Act (codified at Title 27 of the Insurance Article) are not preempted by ERISA. Those laws require health insurers to establish an internal grievance process for insurers to challenge denials of coverage, permit the insured to seek external review by the Insurance Commissioner, outline procedural and substantive requirements for entities performing utilization review, and define violations of those requirements as unfair claims settlement practices.

In *Connecticut General*, the Court concluded that the Appeals and Grievance and Unfair Claims Settlement laws are laws that regulate insurance, because they are directed at the business of insurance in a manner similar to the Illinois law upheld by the United States Supreme Court in *Rush*. In addition, the *Connecticut General* Court found that the Maryland enforcement mechanism was entirely consistent with, and not in conflict with, ERISA or its associated federal regulations. Hence, those laws are not subject to preemption under ordinary conflict analysis.

The Petition for *certiorari* filed in the United States Supreme Court by the insurers who lost their preemption challenge in *Connecticut General* has been dismissed.

IV. CERTIFICATION AND OVERSIGHT OF MEDICAL DIRECTORS OF HEALTH MAINTENANCE ORGANIZATIONS AND PRIVATE REVIEW AGENTS

Every health maintenance organization licensed to do business in Maryland is required to have certified medical directors. A medical director must hold a certificate from the Commissioner that authorizes the physician to act as a medical director for the health maintenance organization. Medical directors are responsible for utilization review decisions and the establishment and maintenance of quality assurance and utilization management policies and procedures for the health maintenance organization. Certification by the Commissioner ensures that all medical directors meet particular qualifications to perform their duties.

Any entity or person performing utilization review on behalf of a Maryland business entity, or a third party that pays for, provides or administers health care services to citizens of this State is required to submit an application to the Commissioner for approval by the Commissioner prior to conducting utilization review in this State. This entity or person is called a private review agent.

The Medical Director/Private Review Agent Oversight Unit (MD/PRA Oversight Unit) reviews applications for certification of private review agents to determine whether the utilization review policies, procedures and criteria of private review agents are compliant with Maryland law and regulations. The MD/PRA Oversight Unit is also responsible for ensuring that medical directors of health maintenance organizations licensed to do business in Maryland meet the requirements for certification. In 2002, the unit issued certificates to 38 medical directors and 43 private review agents. As of April 15, 2003, there are 72 certified medical directors working for HMOs in Maryland and 95 private review agents with certificates of registration from the Commissioner.

V. SUMMARY OF CARRIER DATA ON GRIEVANCES REPORTED TO THE ADMINISTRATION BY CARRIER

Section 15-10A-06 of the Insurance Article requires Carriers to submit quarterly reports which provide:

- The number of adverse decisions issued by the Carrier;
- The outcome of each grievance filed with the Carrier;
- The number and outcomes of cases that were considered emergency cases under §15-10A-02(b)(2)(i) of Subtitle 10A;
- The time within which the Carrier made a grievance decision on each emergency case;

- The time within which the Carrier made a grievance decision on all other cases that were not considered emergency cases; and
- The number of grievances filed with the Carrier that resulted from an adverse decision involving length of stay for inpatient hospitalization as related to the medical procedure involved; and
- The number and outcome of all other cases that resulted from an adverse decision involving the length of stay for inpatient hospitalization as related to the medical procedure involved.

From 1999 through 2001, the largest volume of grievances involved denials of hospital days. (Appendix B2). In 2002, hospital days ranked number two. The largest volume of grievances in 2002 were in the dental, optometry and chiropractic services. In 2001, that category was ranked number three. Prior to that, the category was number ten in a field of twelve. Analysis of the data indicates that the increase has been in the area of denials by dental carriers.

As indicated in 2002, the Carriers for the first time were required to report the number of adverse decisions. (Appendix B4) The volume of adverse decisions by category almost mirror the volume of grievance decisions with the exception of the category for emergency room services. Emergency room services constituted 26.8% of the total adverse decisions and only 8% of the total grievance decisions. Since this is the first year that this data has been reported, it will be necessary to monitor this information to determine if any trends are established.

The Carriers also report the number of internal decisions where they overturn themselves. (Appendix B6). The data reveals that in 1999 the majority of the reversals occurred for pharmacy services. (Appendix B7). In year 2000, the majority of the reversals involved lab services, home health services, emergency room services, and pharmacy services. (Appendix B8). In 2001, the largest number of reversals were for laboratory and radiological services (Appendix B9). The Carriers also reported that in 2001 the fewest reversals occurred where mental health services were at issue. This was also the case in 1999 and 2000. In 2002, the majority of the reversals were in the areas of emergency room services, physician services, laboratory services and the category which includes podiatry, dental and optometry. (Appendix B10).

VI. SUMMARY OF STATISTICAL DATA BASED ON COMPLAINTS FILED WITH THE ADMINISTRATION

A. Number Of Complaints Filed

The Appeals & Grievance Unit received a total of 1308 complaints asserting a denial of care or coverage based on the lack of medical necessity. (Appendix C1). As a point of comparison, in 2002 the Administration received 5,646 complaints in its Life & Health Unit involving non-medical necessity disputes. These complaints include disputes over whether a benefit is covered under a contract, the amount of

reimbursement, as well as payments under life or disability insurance policies. Complaints may be filed by providers on behalf of complainants. This includes individual doctors as well as facilities, such as hospitals.

B. Jurisdictional Issues

As indicated above, the Unit received a total of 1308 complaints that dealt with or alleged medical necessity denials. The initial investigation of these cases revealed that the Administration did not have jurisdiction in 362 cases. (Appendix C2). In 201 cases, ERISA preempted the State's jurisdiction. ERISA's preemption applies to employer sponsored benefit plans, where the health benefits are self-insured. (See Section III for discussion on ERISA preemption.) If it is determined that the complaint is one which falls outside of the regulatory authority of the Administration, the complainant is referred to the appropriate Agency which has jurisdiction to review their complaint. In the case of ERISA, the 201 complaints were referred to the Department of Labor.

During Calendar year 2002, the Administration also referred:

- 50 cases to OPM (Federal Employees)
- 15 cases to Medicaid
- 11 cases to Medicare
- 73 cases to Insurance Department in Another State
- 12 cases to other state agencies including DHMH and the Workers Compensation Commission

Also, in 374 cases, the complainants had not exhausted their internal grievances and thus the complaint was referred to the HEAU. (Appendix C1). Complainants chose to withdraw their complaints in 11 cases, and 97 cases were closed because the complainants failed to provide information that was necessary to complete the investigation. An example of this occurs where signed consent forms were not provided to the Administration, enabling the Administration to obtain medical records, or where the provider or patient failed to provide medical records which are essential for the review. No action was required in 97 cases.

C. Synopsis Of Complaints Investigated By The Administration

In 374 complaints which were filed with the Administration, the internal grievance process had not been exhausted. Therefore, the complaints were forwarded to the HEAU for assistance. The outcome of the remaining 367 complaints was as follows:

| | |
|------------------------------------------------------------|-------------------|
| <u>CARRIER REVERSED ITSELF DURING INVESTIGATION</u> | <u>120</u> |
| <u>CARRIER UPHELD BY MIA</u> | <u>181</u> |
| <u>CARRIER REVERSED BY MIA</u> | <u>52</u> |

The Carrier reversals occurred for several reasons including receipt of more information by the Carrier or an administrative decision to provide care. As indicated in Appendix C5 and C6, the majority of the complaints investigated by the Administration fell into three categories: Physician Services, Hospital Denials and Mental Health/Substance Abuse Inpatient Services.

VII. CONSUMER SURVEY

Surveys were sent to 307 individuals who had filed complaints with the Unit; the Administration received 70 responses. The surveys revealed that, overall, consumers were satisfied with the assistance they received from the HEAU and the Administration, although most did not feel that the Carrier's internal process was fair. (See Appendix D). The consumers who responded indicated that they would use the process again if the need arose.

A sample of some of the comments are as follows:

- Very dissatisfied with the process at the insurance company. Very satisfied with the process at MIA.
- The insurance company refused two requests prior to us filing our complaint with the state insurance administration. Without us taking that step they would have never budged.
- Everyone from HAU and MIA was very professional and helpful. My insurance company seemed to drag its feet.
- After more than six months of delays, I received a check within a couple of weeks of contacting MIA.
- My wife and I would like to thank Maryland Insurance Administration and [the investigator] and Grievance unit for your professional help. [The investigator] is the kind of employee that every great state needs to help its citizens.
- Thanks also to the outside review agent who was able to grasp the complexity of this patient's situation & determine her needs accurately & with good clinical wisdom!
- The HAU and MIA are really there for the people. I am very pleased with everyone's knowledge, help, and understanding in my case. Thank you very much.[signed].

- After months of talking to many people in the insurance, I was not getting any help & many different answers. One call and one letter, your office resolved my problem. Thank you so much.

VIII. ENFORCEMENT ACTIVITIES

The statutory authority for the Commissioner to enforce the Appeals & Grievance law is found in §15-10A et seq; §15-10B et seq; § 15-10C et seq., §4-113; and §27-303 of the Insurance Article and § 19-729 and § 19-730 of the Health General Article. These provisions allow the Commissioner to require the payment of medically necessary treatment. The Commissioner also has authority to fine a carrier for sending an adverse or grievance decision letter which did not comply with the law; failure to timely authorize medically necessary services; and failure to have the appropriate physician conduct the utilization review. Enforcement actions are taken by the Appeals & Grievance Complaint Unit; the Life & Health Market Conduct Unit and the Life & Health Rate & Form Filing Unit.

A. Appeals & Grievance Complaint Unit

The Administration issued 77 Orders and Consent Orders based on the complaints which it received. These Orders were issued based on: the Carrier's inappropriate denial of medically necessary services; the Carrier's failure to send statutory complaint notices when services are denied as not medically necessary; and the Carriers' failure to timely authorize services. The services that are the subject of these Orders include mental health treatment, pharmacy services, and durable medical equipment. Administrative penalties of \$236,500 have been imposed.

A summary of the Orders and Consent Orders is as follows:

Connecticut General Life Insurance Company

Cigna Health Care Mid-Atlantic, Inc.

Case No.: 349-7/00; 375 – 7/00; 520-10/00; 608-12/00; 477-9/01; 660-12/01; 112-2/02; 300-7/02; 472-10/02

Effective Date: May 1, 2003

Penalty: \$100,000

The Administration and the Carriers entered into a consent agreement whereby the Carriers agreed to 1) pay a penalty of \$100,000 for various violations of Maryland's Appeals & Grievance law; 2) withdraw all appeals previously filed in these cases, and 3) pay for all services which were the subject of the Commissioner's Order in the cases at issue.

Aetna U.S. Healthcare, Inc.
Case No.: 28-1/02
Effective Date: January 17, 2002

The Administration determined that continued inpatient mental health treatment from December 11, 2001 through the end of the treatment program was medically necessary for an 8 year old child who had seizures and self-injurious behavior. Aetna's failure to pay benefits for the medically necessary service in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration issued an Emergency Order requiring Aetna to immediately authorize payment for continued inpatient treatment from December 11, 2001 until the end of the 90 day program; and that before discharge, Aetna review the patient's condition to determine if inpatient services continued to be medically necessary.

PHN-HMO, Inc.
Case No.: 34-1/02
Effective Date: January 18, 2002

The Administration determined that it was medically necessary for the patient to receive inpatient substance abuse residential treatment from August 14, 2001 through August 20, 2001. PHN's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered PHN to immediately authorize coverage for the medically necessary dates of service.

Freestate Health Plan
Case No.: 44-1/02
Effective Date: January 29, 2002

The Administration determined that it was medically necessary for the patient to receive inpatient substance abuse residential treatment from September 2, 2001 through September 7, 2001, and intensive outpatient treatment from September 8, 2001 to September 30, 2001. Freestate's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered Freestate to immediately authorize coverage for the medically necessary treatment.

Aetna U.S. Healthcare, Inc.
Case No.: 53-1/02
Effective Date: January 30, 2002

The Administration determined that it was medically necessary for the patient to receive inpatient residential treatment from June 9, 2001 through June 21, 2001, and partial hospitalization treatment from June 22, 2001 through June 30, 2001. Aetna's failure to pay benefits for these medically necessary services, in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance

Article. The Administration ordered Aetna to immediately authorize payment for the medically necessary treatment.

Dental Benefit Providers of Maryland, Inc.

Case No.: 54-1/02

Effective Date: January 30, 2002

The Administration determined that it was medically necessary for the patient to have periodontal scaling and root planing as described by her dentist in his claim for covered services. The Administration determined that the Carrier had violated §15-10A-04(c) of the Insurance Article by failing to authorize payment for the medically necessary services. The Administration ordered the Carrier to immediately authorize payment for the medically necessary services.

Optimum Choice, Inc.

Case No.: 80-2/02

Effective Date: May 15, 2002

The Administration and the Carrier entered into a Consent Agreement whereby the Carrier agreed to pay for the medically necessary service for construction of the Cecum Neovagina in accordance with its contract and Maryland law.

CareFirst of Maryland, Inc.

Case No.: 87-2/02

Effective Date: February 14, 2002

The Administration determined that the inpatient hospital stay of July 19, 2001 through July 21, 2001 was medically necessary. CareFirst's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered CareFirst to immediately authorize payment for the medically necessary inpatient hospital stay.

CareFirst of Maryland, Inc.

Case No.: 95-2/02

Effective Date: February 19, 2002

The Administration determined that inpatient hospital days from June 2, 2001 through June 4, 2001 should have been paid at the acute level of care. The Administration upheld the denial of the inpatient hospital days from June 5, 2001 to June 6, 2001. CareFirst's failure to pay benefits for the medically necessary services in accordance with its contract and Maryland law, constituted a violation of §15-10A-04(c) of the Insurance Article. The Administration ordered CareFirst to immediately authorize payment for the medically necessary dates of service.

CareFirst of Maryland, Inc.
Case No.: 97-2/02
Effective Date: February 22, 2002
Penalty: \$2,500

The Administration determined that acute inpatient services from July 5, 2001 through July 6, 2001 were medically necessary and should have been authorized for payment. The Administration also determined that CareFirst's adverse decision letter did not comply with the requirements of §15-10A-02(f) of the Insurance Article. CareFirst's failure to pay benefits for the medically necessary service in accordance with its contract and Maryland law, constituted a violation of §15-10A-04(c) of the Insurance Article. The Administration ordered CareFirst to immediately authorize payment for the medically necessary services and to pay an administrative penalty of \$2,500 for violation of § 15-10A-02(f) of the Insurance Article.

Aetna U.S. Healthcare, Inc.
Case No.: 111-2/02
Effective Date: February 27, 2002

The Administration determined that inpatient hospitalization from August 30, 2001 to August 31, 2001 and September 7, 2001 to September 9, 2001 was medically necessary. Aetna's failure to pay benefits for the medically necessary inpatient hospital days in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered Aetna to immediately authorize payment for the medically necessary inpatient hospitalization.

CareFirst of Maryland, Inc.
Case No.: 132-3/02
Effective Date: March 13, 2002

The Administration determined that the inpatient hospitalization from May 16, 2001 to May 18, 2001 was medically necessary. CareFirst's failure to pay benefits for the medically necessary inpatient hospital admission in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Insurance Administration ordered CareFirst to immediately authorize payment for the medically necessary inpatient hospitalization.

Aetna U. S. Healthcare
Case No.: 147-3/02
Effective Date: March 21, 2002

The Administration determined that inpatient hospitalization from September 14, 2001 to September 16, 2002 was medically necessary. Aetna's failure to pay benefits for the medically necessary inpatient hospital days in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The

Administration ordered Aetna to immediately authorize payment for medically necessary inpatient hospitalization.

CareFirst of Maryland, Inc.

Case No.: 148-3/02

Effective Date: March 21, 2002

The Administration determined that physical therapy services from August 31, 2001 through September 28, 2001 were medically necessary. CareFirst's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered CareFirst to immediately authorize coverage for the medically necessary services.

Kaiser Foundation Health Plan of the Mid-Atlantic States

Case No.: 162-3/02

Effective Date: March 29, 2002

The Administration determined that partial hospitalization on February 15, 2002 was medically necessary. Kaiser's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered Kaiser to immediately authorize payment for the medically necessary services.

Free State Health Plan, Inc.

Case No.: 184-4/02

Effective Date: April 16, 2002

The Administration determined that inpatient mental health services from May 11, 2001 through May 14, 2001 were medically necessary. However, the Administration determined that the denial of inpatient mental health services from May 15, 2001 through May 22, 2001 was appropriate, as it was not medically necessary at the inpatient level. Freestate's failure to pay benefits for these medically necessary services, from May 11, 2001 through May 14, 2001, in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered Freestate to immediately authorize payment for the medically necessary inpatient mental health services.

MAMSI Life and Health Insurance Company

Case No.: 190-4/02

Effective Date: April 17, 2002

The Administration determined that Uterine Artery Embolization was not investigational/experimental. MAMSI's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered MAMSI

to immediately authorize payment for the Uterine Artery Embolization for the patient, pursuant to § 15-10A-04(c) of the Insurance Article.

The Carrier requested a hearing. The Administration's decision was upheld at the hearing.

MD-Individual Practice Association, Inc.

Case No.: 208-4/02

Effective Date: June 13, 2002

Penalty: \$3,750

The Administration and the Carrier entered into a Consent Agreement whereby the Carrier agreed to pay an administrative penalty of \$3,750.

Optimum Choice, Inc.

Case No.: 225-5/02

Effective Date: January 17, 2003

Penalty: \$1,250

The Administration and the Carrier entered into a Consent Agreement whereby the Carrier agreed to pay an administrative penalty of \$1,250.

Coventry Healthcare of Delaware, Inc.

Case No.: 257-6/02

Effective Date: June 7, 2002

Penalty: \$7,500

The Administration determined that Coventry's failure to pay benefits for these medically necessary services for the Excision of Accessory Ear Tissue, in accordance with its contract and Maryland law, constituted a violation of §15-10-04(c) of the Insurance Article. The Administration determined that Coventry's adverse decision letter failed to comply with the requirements of § 15-10A-02(f) of the Insurance Article. The Administration also determined that Coventry's grievance decision letter failed to comply with the requirements of § 15-10A-02(i) of the Insurance Article, in that the letter failed to reference the specific criteria and standards, including interpretive guidelines, on which the grievance decision was made. The Administration further determined that Coventry violated §15-10B-09.1 of the Insurance Article by failing to have a physician with an appropriate medical specialty participate in the grievance decision. The Administration ordered Coventry to pay benefits for the medically necessary services.

Coventry Health Care of Delaware, Inc.

Case No.: 268-6/02

Effective Date: June 17, 2002

Penalty: \$10,000

The Administration determined that Coventry had violated § 19-729(1) of the Health-General Article by using unapproved forms in violation of § 19-713 of the Health-General Article and had violated § 19-729(11) of the Health-General by failing to comply with § 15-10A-02(k) of the Insurance Article. In addition, the Administration determined that Coventry had violated § 15-10A-02(g) of the Insurance Article by failing to respond in a timely manner to the January 4, 2002 appeal letter from Howard County General Hospital. The Administration also determined that Coventry violated § 15-10A-02(f)(2) by failing in the December 3, 2001 letter to reference the criteria relied upon and noting in that letter that the member and their health care provider had 30 days, instead of “30 working days” in which to file a grievance.

CareFirst of Maryland, Inc.

Case No.: 272-6/02

Effective Date: June 20, 2002

The Administration determined that inpatient detoxification from November 27, 2001 to November 28, 2001 was medically necessary. CareFirst's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered CareFirst to immediately authorize payment for the medically necessary inpatient care.

CareFirst BlueChoice, Inc.

Case No.: 273-6/02

Effective Date: June 21, 2002

Penalty: \$2,500

The Administration determined that the notice of grievance decision did not state in clear, understandable language the specific factual bases for the Carrier's decision and as such, constituted a violation of § 15-10A-02(i) of the Insurance Article. The Administration also determined that BlueChoice has violated § 19-729 of the Health-General Article by failing, through its private review agent, to comply with § 15-10A-02(i) of the Insurance Article.

CareFirst of Maryland, Inc.

Case No.: 275-6/02

Effective Date: June 25, 2002

The Administration determined that the inpatient hospital stay of November 30, 2001 was medically necessary, at a lower level of intensity than acute detoxification. Inpatient services for alcohol abuse are a covered benefit under the terms of the

member's policy and were medically necessary on November 30, 2001. CareFirst's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(e) of the Insurance Article. The Administration ordered CareFirst to immediately authorize payment for the medically necessary inpatient rehabilitation hospital stay.

The Carrier requested a hearing. A decision is pending.

Freestate Health Plan

Case No.: 276-6/02

Effective Date: June 25, 2002

Penalty: \$2,500

The Administration determined that the Carrier's adverse decision letter failed to comply with the requirements of § 15-10A-02(f) of the Insurance Article in that the letter failed to state that the member had the right to file a complaint with the Commissioner within 30 working days after receipt of a Carrier's grievance decision. The Administration also determined that the skilled nursing services from December 19, 2001 through February 4, 2002, and February 16, 2002 through March 27, 2002 were medically necessary. CareFirst's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law constitutes a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered CareFirst to immediately authorize payment for the medically necessary inpatient skilled nursing services.

MD-Individual Practice Association, Inc.;

Mamsi Life & Health Company and

Optimum Choice, Inc.

Case No.: 277-6/02

Effective Date: June 21, 2002

Penalty: \$20,000

The Administration and the Carriers entered into a Consent Order whereby the Carriers paid a \$20,000 penalty for sending notices which the Administration determined did not comply with § 15-10A-02. As a part of this Consent Order, the Carriers also agreed to send corrected notices to their policyholders. This Consent Order resolved MIA Order No. 134 and 135 which were issued against the Carriers on March 10, 2002.

Aetna U.S. Healthcare, Inc.

Case No.: 280-6/02

Effective Date: June 28, 2002

The Administration determined that it was medically necessary for the patient to have breast reduction mammoplasty for the treatment of gynecomastia. Aetna's failure to pay benefits for these medically necessary services for the treatment of

gynecomastia in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered Aetna to immediately authorize payment for the mastectomy recommended for the treatment of gynecomastia.

MD-Individual Practice Association, Inc.

Case No.: 288-7/02

Effective Date: July 23, 2002

Penalty: \$1,500

The Administration and MD-IPA entered into a Consent Order, whereby MD-IPA agreed to pay a penalty of \$1,500 for failing to comply with §§ 15-10A-02(f)(2), 15-10A-02(g), and 15-10A-02(i) of the Insurance Article.

MD-Individual Practice Association, Inc.

Case No.: 289-7/02

Effective Date: November 4, 2002

Penalty: \$1,000

The Administration and MD-IPA entered into a Consent Order whereby MD-IPA agreed to immediately authorize payment for gastric bypass surgery for the patient and to pay a \$1,000 administrative penalty.

Aetna Health, Inc.

Case No.: 327-7/02

Effective Date: July 27, 2002

Penalty: \$5,000

The Administration determined that the inpatient hospitalization from December 28, 2001 through December 30, 2001 was medically necessary. Aetna's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration also determined that Aetna's adverse decision letter dated March 12, 2002, failed to comply with the requirements of § 15-10A-02(f) of the Insurance Article. The Administration determined that Aetna's grievance letter dated May 20, 2002, failed to comply with the requirements of § 15-10A-02(i) of the Insurance Article.

The Administration ordered Aetna to pay an administrative penalty of \$5,000.00 for violation of §§ 15-10A-02(f) and 15-10A-02(i) of the Insurance Article. The Administration also ordered Aetna to immediately authorize payment for the medically necessary inpatient hospitalization.

Optimum Choice, Inc.
Case No.: 335-7/02
Effective Date: July 26, 2002
Penalty: \$5,000

The Administration determined that the acute inpatient admission of January 20, 2000, was medically necessary. The Administration also determined that OCI's adverse decision letter failed to comply with the requirements of § 15-10A-02(f) of the Insurance Article. The Administration further determined that OCI's grievance decision letter failed to comply with the requirements of § 15-10A-02(i) of the Insurance Article.

The Administration ordered OCI to immediately authorize payment for the medically necessary acute inpatient hospital stay. The Administration ordered OCI to pay an administrative penalty of \$2,500 for violation of § 15-10A-02(f) and \$2,500 for violation of § 15-10A-02(i).

Optimum Choice, Inc.
Case No.: 359-8/02
Effective Date: August 12, 2002

The Administration determined that OCI's failure to pay benefits for the medically necessary services for bilateral reduction mammoplasty, in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article.

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.
Case No.: 384-8/02
Effective Date: August 22, 2002

The Insurance Administration determined that electrical stimulation for the treatment of facial paralysis was medically necessary. Kaiser's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered Kaiser to immediately authorize coverage for the medically necessary services.

Aetna Health, Inc.
Case No.: 396-8/02
Effective Date: August 30, 2002
Penalty: \$2,500

The Administration determined that inpatient hospitalization from September 14, 2001 through September 16, 2001 was medically necessary and should be processed for payment at an inpatient level of care. The Administration also determined that Aetna did not comply with the requirements of § 15-10A-02(f) in that Aetna did not send, within 5 working days after the adverse decision was made, a written notice to the member and health care provider. The Administration ordered Aetna to immediately

authorize payment for the medically necessary inpatient substance abuse treatment. The Administration also ordered Aetna to pay an administrative penalty of \$2,500 for violation of § 15-10A-02(f) of the Insurance Article.

Optimum Choice, Inc.

Case No.: 404-9/02

Effective Date: September 4, 2002

The Administration determined that the acute inpatient stay from April 12, 2002 through April 15, 2002 was medically necessary. The Administration ordered OCI to immediately authorize payment for the medically necessary acute inpatient hospital stay.

MD-Individual Practice Association, Inc.

Case No.: 407-9/02

Effective Date: September 6, 2002

Penalty: \$2,500

The Administration determined that MD-IPA's failure to pay benefits for bilateral reduction mammoplasty, in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article and §19-729(a)(2) of the Health-General Article. The Administration also determined that MD-IPA's failure to use a physician who was board certified or eligible in the same specialty in the grievance decision was a violation of § 15-10B-09.1 of the Insurance Article. The Administration ordered MD-IPA to pay an administrative penalty of \$2,500 for violation of § 15-10B-09.1, pursuant to §§ 27-303 and 27-305 and immediately authorize payment for the bilateral reduction mammoplasty.

MD-Individual Practice Association, Inc.

Case No.: 408-9/02

Effective Date: October 21, 2002

Penalty: \$1,000

The Administration and MD-IPA entered into a Consent Order whereby MD-IPA agreed to pay an administrative penalty of \$1,000 for violation of § 15-10B-09.1 of the Insurance Article.

Optimum Choice, Inc.

Case No.: 425-9/02

Effective Date: September 19, 2002

The Administration determined that the denial of coverage for hospitalization from April 23, 2002 through April 27, 2002 should be modified to approve hospitalization from April 23, 2002 through April 24, 2002 as being medically necessary. The denial was upheld for the remainder of the stay.

CareFirst of Maryland, Inc.
Case No.: 432-9/02
Effective Date: September 24, 2002

The Administration determined that outpatient therapy at a frequency of two times per week was medically necessary. The Administration ordered CareFirst to immediately authorize payment for outpatient therapy at a frequency of two times per week, pursuant to § 15-10A-04(c)(2) of the Insurance Article.

MAMSI Life & Health Insurance Company
Case No.: 433-9/02
Effective Date: September 25, 2002

The Administration determined that the abortion procedure performed was medically necessary. The Administration ordered MAMSI to immediately authorize payment for the procedure.

MAMSI Life & Health Insurance Company
Case No.: 437-9/02
Effective Date: September 27, 2002
Penalty: \$2,500

The Administration determined that the Uterine Artery Embolization (UAE) procedure was not experimental/investigational. The Administration also determined that MAMSI's adverse decision via an Explanation of Benefits ("EOB") failed to comply with requirements of § 15-10A-02(f) of the Insurance Article. The Administration ordered MAMSI to immediately authorize payment for the Uterine Artery Embolization (UAE) procedure for the member, pursuant to § 15-10A-04(c) of the Insurance Article. The Administration also ordered the Carrier to pay an administrative penalty of \$2,500 for violation of § 15-10A-02(f) of the Insurance Article.

CareFirst of Maryland, Inc.
Case No.: 439-9/02
Effective Date: September 30, 2002

The Administration determined that the bilateral brachioplasty was medically necessary. The Administration ordered CareFirst to immediately authorize payment for the bilateral brachioplasty, pursuant to § 15-10A-04(c)(1) of the Insurance Article.

Optimum Choice, Inc.
Case No.: 450-10/02
Effective Date: October 7, 2002
Penalty: \$2,500

The Administration determined that OCI failed to comply with § 15-10A-02(f)(2) of the Insurance Article by omitting the Health Advocacy Unit's address, facsimile number, and email address from the written notices sent to the member and the health care provider action on behalf of the member. The Administration ordered OCI to pay an administrative penalty of \$2,500.00 for the violation.

CareFirst of Maryland, Inc.
Case No.: 457-10/02
Effective Date: October 11, 2002

The Administration determined that outpatient psychiatric therapy at a frequency of four (4) times per week for individual sessions and one (1) weekly conjoint therapy session was medically necessary. The Administration ordered CareFirst to immediately authorize payment for these medically necessary services.

Coventry Healthcare of Delaware, Inc.
Case No.: 458-10/02
Effective Date: October 11, 2002
Penalty: \$5,000

The Administration determined that it was medically necessary for the patient to be hospitalized from December 15, 2001 through December 16, 2001. Coventry's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration also determined that the carrier failed to send a written grievance decision letter within five days of the medical director rendering the grievance decision in violation of § 15-10A-02(i) of the Insurance Article. The Administration determined that Coventry violated § 15-10B-09.1 of the Insurance Article by failing to have a physician with an appropriate medical specialty participate in the grievance decision.

The Administration ordered Coventry to pay an administrative penalty of \$2,500 for violation of § 15-10A-02(i) of the Insurance Article. The Administration also ordered Coventry to pay an administrative penalty of \$2,500 for violation of § 15-10B-09.1 of the Insurance Article. The Administration ordered Coventry to immediately authorize coverage for the medically necessary hospitalization.

Optimum Choice, Inc.
Case No.: 467-10/02
Effective Date: October 16, 2002

The Administration determined that the inpatient hospital stay from April 29, 2002 through May 1, 2002 was medically necessary. The Administration ordered OCI to pay for the inpatient hospital stay of April 29, 2002 through May 1, 2002, pursuant to § 15-10A-04(c) of the Insurance Article.

CareFirst of Maryland, Inc.
Case No.: 475-10/02
Effective Date: October 30, 2002

The Administration determined that acute inpatient hospitalization on June 1, 2002 was medically necessary. CareFirst's failure to pay benefits for this medically necessary service in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered CareFirst to immediately authorize payment for acute inpatient hospitalization for June 1, 2002.

Optimum Choice, Inc.
Case No.: 476-10/02
Effective Date: October 30, 2002

The Administration determined that inpatient hospitalization from June 21, 2002 through June 24, 2002 was medically necessary. OCI's failure to pay benefits for these medically necessary inpatient hospital days in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered OCI to immediately authorize payment for the medically necessary inpatient hospitalization.

The Carrier requested a hearing. A decision is pending.

MAMSI Life & Health Insurance Company
Case No.: 535-11/02
Effective Date: November 21, 2002

MAMSI's failure to authorize payment for emergency room services constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered MAMSI to immediately issue payment for these medically necessary emergency room services, pursuant to §15-10A-04(c) of the Insurance Article.

Optimum Choice, Inc.
Case No.: 544-11/02
Effective Date: November 25, 2002

The Administration determined that it was medically necessary for the patient to receive acute inpatient services from June 11, 2002 through June 12, 2002, in accordance with its contract and Maryland law and ordered OCI to immediately authorize payment for the medically necessary inpatient hospitalization.

The Carrier requested a hearing. A decision is pending.

CareFirst of Maryland, Inc.
Case No.: 550-11/02
Effective Date: November 27, 2002
Penalty: \$2,500

The Administration determined that the requested procedure performed on April 2, 2002 met the requirements of § 15-839 of the Insurance Article. Therefore, CareFirst's failure to review the request for authorization for the biliopancreatic gastric bypass with duodenal switch in accordance with § 15-839 was a violation of § 4-113(b)(1) of the Insurance Article. CareFirst's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c). The Administration ordered CareFirst to pay an administrative penalty of \$2,500 for violation of § 4-113(d) for failing to comply with § 15-839 of the Insurance Article. The Administration also ordered CareFirst to immediately authorize payment for the biliopancreatic gastric bypass with duodenal switch, pursuant to § 15-10A-04(c)(1) of the Insurance Article.

CareFirst of Maryland, Inc.
Case No.: 554-12/02
Effective Date: December 2, 2002

The Administration determined that it was medically necessary to continue weekly psychotherapy treatments for the patient through June 2003. CareFirst's failure to pay benefits for these medically necessary psychotherapy treatments in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered CareFirst to immediately authorize payment for continued psychotherapy treatments for the patient until June 2003.

MD-Individual Practice Association, Inc.
Case No.: 555-12/02
Effective Date: December 4, 2002
Penalty: \$2,500

The Administration determined that it was medically necessary for the patient to receive continued chiropractic services. MD-IPA's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article and § 19-729(a)(2) of the Health-General Article. The Administration also determined that MD-IPA violated § 19-729 of the Health-General Article and § 27-303 of the Insurance Article by failing to comply with § 15-10A-02(i) of the Insurance Article in the grievance decision.

The Administration ordered MD-IPA to immediately authorize payment for continued chiropractic services rendered after July 24, 2002, and for as long as medically necessary, pursuant to § 15-10A-04(c) of the Insurance Article and § 19-730 of the Health-General Article. The Administration also ordered MD-IPA to pay an administrative penalty of \$2,500.00 for violation of § 19-729 of the Health-General Article by failing to comply with § 15-10A-02(i) of the Insurance Article.

CareFirst of Maryland, Inc.
Case No.: 577-12/02
Effective Date: December 16, 2002

The Administration determined that Community and Home Rehabilitation services were medically necessary. CareFirst's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered CareFirst to immediately authorize coverage for Community and Home Rehabilitation services, pursuant to § 15-10A-04(c) of the Insurance Article.

Aetna Health, Inc.
Case No.: 578-12/02
Effective Date: December 16, 2002
Penalty: \$2,500

The Administration determined that Aetna did not comply with § 15-10B-09.1 by failing to use a provider who was Board-Certified or eligible in the same specialty as the treatment under review when rendering the grievance determination. Aetna's failure to use a provider who was Board-Certified or eligible in the same specialty as the treatment under review, in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered Aetna to pay an administrative penalty of \$2,500 for violation of § 15-10B-09.1 of the Insurance Article in its grievance decision letter dated August 30, 2002, pursuant to §§ 27-303 and 27-305 of the Insurance Article.

CareFirst of Maryland, Inc.
Case No.: 590-12/02
Effective Date: December 19, 2002

The Administration determined that acute inpatient hospitalization on March 8, 2002 and March 9, 2002 was medically necessary. CareFirst's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered CareFirst to immediately authorize payment for the medically necessary acute inpatient hospitalization.

The Carrier requested a hearing. A decision is pending.

Optimum Choice, Inc.
Case No. 591-12/02
Effective Date: December 19, 2002
Penalty: \$5,000

The Administration determined that the acute inpatient services on April 17, 2002 were medically necessary and were not performed for cosmetic purposes. OCI's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article and § 19-729 of the Health-General Article. The Administration also determined that OCI failed to properly notify the health care provider of the appropriate time frame to file an appeal of the denial to OCI in violation of § 15-1005 of the Insurance Article.

The Administration ordered OCI to immediately authorize payment for inpatient services rendered on April 17, 2002, pursuant to § 15-10A-04(c) of the Insurance Article and § 19-730 of the Health-General Article. The Administration also ordered OCI to pay an administrative penalty of \$5,000 for violation of § 15-10D-02(e) and (f) of the Insurance Article, and § 19-729(a)(2) and (11) of the Health-General Article, and § 15-1005 of the Insurance Article, pursuant to § 27-303 and 27-305 of the Insurance Article.

The Carrier requested a hearing. A decision is pending.

Optimum Choice, Inc.
Case No.: 592-12/02
Effective Date: December 19, 2002

The Administration determined that the denial of coverage for hospital day August 3, 2002 should be approved, and the denial for hospital days August 4, 2002 and August 5, 2002 should be upheld. OCI's failure to pay benefits for these medically necessary services on August 3, 2002, in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered OCI to immediately authorize payment for August 3, 2002, pursuant to § 15-10A-04(c) of the Insurance Article.

MAMSI Life & Health Insurance Company
Case No.: 593-12/02
Effective Date: December 19, 2002

The Administration determined inpatient hospitalization from September 14, 2002 through September 18, 2002 was medically necessary. MAMSI's failure to pay benefits for these medically necessary inpatient hospital days in accordance with its contract and Maryland law, constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered MAMSI to immediately authorize payment for the medically necessary inpatient hospitalization.

The Carrier requested a hearing. A decision is pending.

Aetna Health, Inc.
Case No.: 594-12/02
Effective Date: December 19, 2002

The Administration determined that continued residential treatment was medically necessary. Pursuant to § 15-10A-04(c) of the Insurance Article, the Administration ordered Aetna to immediately authorize payment for continued residential treatment from November 13, 2002 through April 30, 2002, and on going as long as residential treatment was medically necessary and the patient was otherwise entitled to benefits.

MAMSI Life & Health Insurance Company
Case No.: 599-12/02
Effective Date: December 23, 2002

MAMSI's failure to authorize payment for emergency room services constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered MAMSI to immediately issue payment for these medically necessary emergency room services, pursuant to § 15-10A-04(c) of the Insurance Article.

Coventry Health Care of Delaware, Inc.
Case No. 600-12/02
Effective Date: December 31, 2002
Penalty: \$10,000

The Administration determined that it was medically necessary for the patient to receive inpatient medical treatment from March 16, 2002 to March 28, 2002. The Administration also determined it was medically necessary for the patient to receive inpatient care from May 24, 2002 to May 31, 2002. In addition, the Administration determined that between July 24, 2002 and July 30, 2002, it was medically appropriate for the member to receive intensive outpatient services. Coventry's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law, constituted a violation of § 15-10-04(c) of the Insurance Article.

The Administration ordered Coventry to immediately authorize payment for dates of service March 16, 2002 to March 28, 2002 and May 24, 2002 to May 31, 2002 at the inpatient level of care, and July 24, 2002 to July 30, 2002 at the intensive outpatient level of care, pursuant to § 15-10A-04(c) of the Insurance Article. The Administration also ordered Coventry to pay an administrative penalty of \$10,000 for violating § 15-10A-02(f) of the Insurance Article, based on the adverse decision and grievance letters dated March 20, 2002, March 22, 2002, July 19, 2002, and August 15, 2002, pursuant to §§ 27-302 and 27-305 of the Insurance Article.

Fidelity Insurance Company

Case No.: 601-12/02

Effective Date: December 31, 2002

The Administration determined that the requested gastric bypass surgery was medically necessary. Fidelity's failure to review the request for authorization for the bariatric gastric bypass surgery in accordance with § 15-839 of the Insurance Article was a violation of § 4-113(b)(1) of the Insurance Article. Fidelity's failure to pay benefits for these medically necessary services in accordance with its contract and Maryland law constituted a violation of § 15-10A-04(c) of the Insurance Article. The Administration ordered Fidelity to immediately authorize payment for gastric bypass surgery, pursuant to § 15-10A-04(c)(1) of the Insurance Article.

Dental Benefit Providers of Maryland, Inc.

Case No.: 2003-01-002

Effective Date: January 6, 2003

Penalty: \$7,500

The Administration ordered the carrier to immediately authorize payment for the surgical removal of two (2) teeth at the completely impacted level and (2) teeth at the partially impacted level, pursuant to § 15-10A-04(c) of the Insurance Article. The Administration also ordered the carrier to pay an administrative penalty of \$2,500 for violation of § 15-10A-02(f) of the Insurance Article and to pay an administrative penalty of \$5,000 for violation of § 15-10A-02(i) of the Insurance Article.

MD-Individual Practice Association, Inc.

Case No.: 2003-01-009

Effective Date: January 13, 2003

Penalty: \$500.00

The Administration and MD-IPA entered into a Consent order whereby the Carrier agreed to pay a \$500 penalty for violation of § 15-10A-02(i).

CareFirst of Maryland, Inc.
Case No.: 2003-01-011
Effective Date: January 15, 2003
Penalty: \$7,500

The Administration ordered CareFirst to immediately authorize coverage for the DOC Band, pursuant to § 15-10A-04(c) of the Insurance Article. The Administration ordered CareFirst to pay an administrative penalty of \$2,500 for violation of § 15-10A-02 of the Insurance Article; an administrative penalty of \$2,500 for violation of § 15-10B-06 and an administrative penalty of \$2,500 for violation of § 15-123 of the Insurance Article.

The Carrier requested a hearing. A decision is pending.

Optimum Choice, Inc.
Case No.: 2003-02-026
Effective Date: February 21, 2003

The Administration ordered OCI to immediately authorize payment for inpatient services rendered at Washington County Hospital on September 6, 2002, pursuant to § 15-10A-04(c) of the Insurance Article and § 19-730 of the Health-General Article.

MAMSI Life and Health Insurance Company
Case No.: 2003-01-058
Effective Date: January 28, 2003
Penalty: \$5,000

The Administration ordered MAMSI to immediately issue payment for the medically necessary surgery of bilateral reduction mammoplasty. The Administration also ordered MAMSI to pay an administrative penalty of \$2,500 for violation of § 15-10-02(f) of the Insurance Article, and \$2,500 for violation of § 15-10B-09.1 of the Insurance Article.

CareFirst of Maryland, Inc.
Case No.: 2003-01-062
Effective Date: January 30, 2003
Penalty: \$2,500

The Administration ordered CareFirst to immediately authorize payment for inpatient hospitalization for February 5, 2002 and February 6, 2002, pursuant to § 15-10A-04(c)(1) of the Insurance Article. The Administration also ordered CareFirst to pay an administrative penalty of \$2,500 for violation of § 15-10A-02(f) of the Insurance Article.

CareFirst of Maryland, Inc.
Case No.: 2003-02-002
Effective Date: February 4, 2003
Penalty: \$2,500

The Administration ordered CareFirst to immediately authorize payment for the inpatient psychiatric admission on November 20, 2002, pursuant to § 15-10A-04(c) of the Insurance Article. The Administration also ordered CareFirst to pay an administrative penalty of \$2,500.00 for violation of § 15-10A-02(i)(1)(ii)(2) of the Insurance Article for the November 21, 2002 grievance decision letter.

Optimum Choice, Inc.
Case No.: 2003-02-006
Effective Date: February 6, 2003

The Administration ordered OCI to immediately authorize payment for inpatient services rendered at Peninsula Regional Medical Center on December 7, 2002 through December 8, 2002, pursuant to § 15-10A-04(c) of the Insurance Article and § 19-730 of the Health-General Article.

The Carrier requested a hearing. A decision is pending.

CareFirst of Maryland, Inc.
Case No.: 2003-02-009
Effective Date: February 6, 2003
Penalty: \$5,000

The Administration ordered CareFirst to immediately authorize payment for inpatient rehabilitation level of care from November 6, 2002 through November 15, 2002; to authorize partial hospitalization level of care from November 19, 2002 through November 21, 2002 and to authorize payment for intensive outpatient level of care from November 22, 2002 through December 4, 2002. The Administration also ordered CareFirst to pay an administrative penalty of \$2,500.00 for the violation of § 15-10A-02(f) of the Insurance Article in the November 20, 2002 adverse notice and to pay an administrative penalty of \$2,500.00 for violation of § 15-10A-02(i) of the Insurance Article in the November 21, 2002 grievance notice.

CareFirst BlueChoice, Inc.
Case No.: 2003-02-010
Effective Date: February 10, 2003

The Administration ordered BlueChoice to immediately authorize payment for the medically necessary residential treatments from July 24, 2002 through October 14, 2002, pursuant to § 15-10A-04(c) of the Insurance Article and § 19-730 of the Health-General Article.

The Carrier Requested a hearing. A decision is pending.

CareFirst of Maryland, Inc.
Case No.: 2003-02-018
Effective Date: February 12, 2003
Penalty: \$2,500

The Administration ordered CareFirst to immediately authorize payment for inpatient hospitalization from April 10, 2002 through April 26, 2002, pursuant to § 15-10A-04(c)(2) of the Insurance Article. The Administration also ordered CareFirst to pay an administrative penalty of \$2,500 for violation of § 15-10A-04(c)(3) of the Insurance Article.

The Carrier Requested a hearing. A decision is pending.

Optimum Choice, Inc.
Case No.: 2003-02-019
Effective Date: February 20, 2003
Penalty: \$2,500

The Administration ordered OCI to immediately issue payment for the medically necessary Vest Airway Clearance System. The Administration also ordered OCI to pay an administrative penalty of \$2,500 for violation of § 15-10A-04(c)(3) of the Insurance Article.

The Carrier Requested a hearing. A decision is pending.

MAMSI Life and Health Insurance Company
Case No.: 2003-03-004
Effective Date: March 5, 2003

The Administration determined that inpatient hospitalization from August 16, 2002 through August 18, 2002 was medically necessary. The Administration also determined that the denials of inpatient services from August 19, 2002 through September 13, 2002 and inpatient hospitalization from September 25, 2002 through November 26, 2002 could not be reviewed as a result of the unavailability of medical records from the Caron Foundation. The Administration ordered MAMSI to immediately authorize payment for inpatient hospitalization from August 16, 2002 through August 18, 2002, pursuant to § 15-10A-04(c) of the Insurance Article.

B. MD/PRA Oversight Unit

The Administration entered into a consent Order resulting from an audit of a Carrier's operations concerning use of uncertified medical directors. The summary of the violations and Order are as follows:

Coventry Health Care of Delaware, Inc.
Case No: 510-11/02
Effective Date: November 6, 2002
Penalty: \$7,500

The Administration found that the Carrier violated §15-10C-02 of the Insurance Article and COMAR 31.10.20.04A by using an uncertified medical director to make utilization review decisions. The Carrier entered into a consent agreement and paid an administrative penalty of \$7,500.

B. Life & Health Market Conduct Unit

The Life & Health Market Conduct Unit performed four market conduct examinations during 2002 that included compliance with laws and regulations regarding adverse decisions. Two of those examinations are completed and are therefore public documents. The remaining two are still in progress and therefore the information regarding those examinations is confidential pursuant to Maryland statute.

The completed examinations are:

1. American Psych Systems
2. Fidelity Insurance Co.

Each examination found various areas of non-compliance with various laws and regulations. A summary of the violations regarding adverse decisions is as follows:

1. American Psych Systems

This target market conduct examination reviewed the Carrier's procedures and practices regarding denials of health benefit claims or denials of requested pre-authorization of health care services based on decisions of medical necessity.

The focus was to determine whether the Company was complying with Subtitles 10A and 10B of the Insurance Article and COMAR 31.10.18, 31.10.21 and 31.15.08.

The examination revealed that the Company failed to: 1) provide specific criteria and standards on which the decisions were made; 2) send adverse decision notification which include name, or telephone number of the medical director or responsible party; 3) give written details of the internal grievance process; 4) include that the member has a right to file a complaint with the Commissioner; 5) give the Commissioner's address, phone and facsimile number; 6) give the address of the Health Advocacy Unit; 7) make initial determination on whether to certify or authorize extended stays or additional services within 1 working day; 8) promptly notify member of decision; 9) send notification of adverse decision for emergency cases within 1 day of oral notification.

The report found various other statutory and regulatory violations. The Carrier and the Administration entered into a Consent Order whereby the Carrier agreed to take corrective action and pay a \$30,000 administrative penalty.

2. Fidelity Insurance Company

This target market conduct examination reviewed the Carrier's procedures and practices regarding denials of health benefits claims or denials of requested pre-authorization of health care services based on decisions of medical necessity.

The focus was to determine whether the Company was complying with Subtitles 10A and 10B of the Insurance Article and COMAR 31.10.18, 31.10.21 and 31.15.08.

The examination revealed that the Company failed to: 1) include in the adverse decision notification information regarding the Health Advocacy Unit; 2) provide written notification of adverse decisions within 5 working days; 3) provide specific criteria and standards on which the decisions were made; 4) include name, or telephone number of the specific employee representative was not referenced; 5) give written details of the internal grievance process; 6) include that the member has a right to file a complaint with the Commissioner; 7) give the Commissioner's address, phone and facsimile number; 8) send written notification of the grievance decision to providers;

The report found various other statutory and regulatory violations. The Carrier and the Administration entered into a Consent Order whereby the Carrier agreed to take corrective action and pay a \$70,000 administrative penalty. Of the \$70,000 penalty, \$35,000 was stayed pending corrective action by the Company.

C. Life & Health Rate and Form Filing Unit

The Life and Health section conducted a desk audit of all the received and filed grievance processes to determine if the processes had been updated to reflect changes in the law. Carriers that were determined to have processes that were no longer compliant were directed to file new processes. Revised process filings were received from all of the carriers.

IX. CONCLUSIONS

The MD/PRA Oversight Unit, Life & Health Market Conduct, Life & Health Rate & Form File Unit, and Appeals & Grievance Complaint Unit work collectively to ensure regulatory compliance and protection of Maryland citizens. This is accomplished by:

- Weekly joint meetings of the members of these units to discuss the activity of regulated entities including private review agents, Carriers and medical directors who make utilization review determinations.

- Monitoring the implementation of utilization management policies and procedures via consumer complaint management and market conduct examinations.
- Effective and efficient oversight of regulated entities and handling consumer complaints.
- Consistent review of utilization management policies and procedures and review criteria that medical directors approve.

Although only four years of data have been collected, it is evident that this law has had a positive effect on the ability of consumers to promptly obtain appropriate medically necessary services.

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APPENDICES

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HEALTH CARE COMPLAINTS UNDER STATE LAW

1. Medical Necessity

A. Individual receives an adverse decision from carrier concerning whether treatment is medically necessary.

B. Individual must exhaust carrier's internal grievance process unless emergency or compelling reason exist. If it is a compelling reason, file the complaint with Insurance Administration.

C. Health Advocacy Unit of the Attorney General's Office can help with the Grievance Process.

- I. Gather information
- II. Prepare Grievance
(410) 528-1840
www.oag.state.md.us

D. If your complaint is not appropriately resolved then you can proceed by filing a written complaint with the:
Maryland Insurance Administration
525 St. Paul Place
Baltimore, MD 21202
1-800-492-6116

- I. Gather Information
- II. Consult with medical experts
- III. Render a Final Decision.

2. Contract Issues

A. Individual informed by carrier that services not covered by contract.

B. Individual must exhaust carrier's internal appeal process unless an urgent medical condition exists. If it is an urgent medical condition, the complaint may be filed with the Insurance Administration.

C. File a complaint in writing with the:
Maryland Insurance Administration
525 St. Paul Place
Baltimore, MD 21202
1-800-492-6116

D. Maryland Insurance Administration will conduct investigation and render a decision.

3. Quality of Care

A. Individual believes services or treatment received from physician improper.

B. File a complaint in writing with the:
Maryland Insurance Administration
525 St. Paul Place
Baltimore, MD 21202
1-800-492-6116

C. Complaint referred to the Department of Health & Mental Hygiene for investigation.

4. No Jurisdiction

A. Category of cases the Maryland Insurance Administration does not have jurisdiction over:

- ERISA
- Medicare
- Medicaid
- Federal Employee
- Not a Maryland Resident and contract issued in another state.

B. These cases are referred to appropriate Agency for investigation.

APPEALS AND GRIEVANCES
CARRIER'S INTERNAL GRIEVANCE STATISTICS BY SERVICE - 2002

| NAIC # | COMPANY NAME | GRIEVANCES FILED | | A. INPATIENT HOSPITAL SERVICES | | B. EMERGENCY ROOM SERVICES | | C. MENTAL HEALTH SERVICES | |
|--------|---------------------------------------------|------------------|--------------------|--------------------------------|---------|----------------------------|---------|---------------------------|---------|
| | | COMPANY TOTAL | % OF ALL COMPANIES | NUMBER | % TOTAL | NUMBER | % TOTAL | NUMBER | % TOTAL |
| | | | | | | | | | |
| 95910 | Aetna Dental Inc. | 120 | 2.6% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95590 | Aetna US Healthcare, Inc. | 232 | 5.0% | 14 | 6.0% | 0 | 0.0% | 85 | 36.6% |
| 90611 | Allianz Life Ins Co of N. America | 10 | 0.2% | 1 | 10.0% | 2 | 20.0% | 0 | 0.0% |
| 61301 | Ameritas Life Ins Co | 9 | 0.2% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 96202 | CareFirst BlueChoice, Inc | 130 | 2.8% | 46 | 35.4% | 1 | 0.8% | 38 | 29.2% |
| 47058 | CareFirst of Maryland, Inc. | 679 | 14.7% | 366 | 53.9% | 10 | 1.5% | 120 | 17.7% |
| 80799 | Celtic Ins Co | 15 | 0.3% | 2 | 13.3% | 1 | 6.7% | 0 | 0.0% |
| 48119 | CIGNA Dental Health of MD, Inc. | 7 | 0.2% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95599 | CIGNA Healthcare Mid-Atlantic, Inc | 289 | 6.2% | 87 | 30.1% | 3 | 1.0% | 4 | 1.4% |
| 77828 | Companion Life Insurance Co | 19 | 0.4% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 62308 | Connecticut General Life Insurance | 246 | 5.3% | 80 | 32.5% | 3 | 1.2% | 11 | 4.5% |
| 62413 | Continental Assurance Co | 2 | 0.0% | 0 | 0.0% | 2 | 100.0% | 0 | 0.0% |
| 71404 | Continental General Ins Co | 1 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 96460 | Coventry Health Care of Maryland, Inc. | 197 | 4.3% | 6 | 3.0% | 40 | 20.3% | 0 | 0.0% |
| 95574 | Delmarva Health Plan, Inc. | 13 | 0.3% | 4 | 30.8% | 0 | 0.0% | 0 | 0.0% |
| 47040 | Dental Benefit Providers of MD, Inc. | 142 | 3.1% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 43010 | Fidelity Ins Co of MD | 52 | 1.1% | 0 | 0.0% | 27 | 51.9% | 2 | 3.8% |
| 70408 | Fortis Benefits Ins Co | 1 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 69477 | Fortis Insurance Co (Fortis Health) | 4 | 0.1% | 1 | 25.0% | 0 | 0.0% | 1 | 25.0% |
| 95572 | Freestate Health Plan, Inc. | 18 | 0.4% | 12 | 66.7% | 1 | 5.6% | 3 | 16.7% |
| 80926 | GE Group Life Assurance Co | 2 | 0.0% | 0 | 0.0% | 0 | 0.0% | 1 | 50.0% |
| 62286 | Golden Rule Insurance Co | 1 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95846 | Group Dental Service of Maryland, Inc. | 913 | 19.7% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 53007 | Group Hosp & MedServ, Inc. | 100 | 2.2% | 12 | 12.0% | 0 | 0.0% | 43 | 43.0% |
| 64246 | Guardian Life Ins Co Of America | 99 | 2.1% | 16 | 16.2% | 0 | 0.0% | 1 | 1.0% |
| 70254 | Jefferson Pilot Financial Insurance Company | 2 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95639 | Kaiser Fndtn Health Plan-Mid-Atl | 100 | 2.2% | 13 | 13.0% | 15 | 15.0% | 17 | 17.0% |
| 60321 | MAMSI Life & Health Ins Co | 353 | 7.6% | 174 | 49.3% | 124 | 35.1% | 4 | 1.1% |
| 96310 | MD-Individual Practive Assoc. | 125 | 2.7% | 91 | 72.8% | 13 | 10.4% | 0 | 0.0% |
| 97055 | Mega Life & Health Ins. Co. | 14 | 0.3% | 0 | 0.0% | 1 | 7.1% | 0 | 0.0% |
| 71412 | Mutual of Omaha Ins Co | 2 | 0.0% | 1 | 50.0% | 0 | 0.0% | 0 | 0.0% |
| 66869 | Nationwide Life Ins Co | 7 | 0.2% | 1 | 14.3% | 0 | 0.0% | 0 | 0.0% |
| 96940 | Optimum Choice, Inc. | 583 | 12.6% | 373 | 64.0% | 148 | 25.4% | 2 | 0.3% |
| 95641 | Preferred Health Network | 79 | 1.7% | 15 | 19.0% | 0 | 0.0% | 44 | 55.7% |

*L=Outpatient Hospital Services,
Education Services, and
Transportation

APPEALS AND GRIEVANCES
CARRIER'S INTERNAL GRIEVANCE STATISTICS BY SERVICE - 2002

| NAIC # | COMPANY NAME | D. PHYSICIAN SERVICES | | E. LABORATORY, RADIOLOGY SERV | | F. PHARMACY SERVICES | | G. PT, OT, ST Services (incl INPAT REHAB) | |
|--------|---------------------------------------------|-----------------------|---------|-------------------------------|---------|----------------------|---------|-------------------------------------------|---------|
| | | NUMBER | % TOTAL | NUMBER | % TOTAL | NUMBER | % TOTAL | NUMBER | % TOTAL |
| 95910 | Aetna Dental Inc. | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95590 | Aetna US Healthcare, Inc. | 59 | 25.4% | 50 | 21.6% | 11 | 4.7% | 4 | 1.7% |
| 90611 | Allianz Life Ins Co of N. America | 6 | 60.0% | 0 | 0.0% | 0 | 0.0% | 1 | 10.0% |
| 61301 | Ameritas Life Ins Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 96202 | CareFirst BlueChoice, Inc | 18 | 13.8% | 3 | 2.3% | 17 | 13.1% | 1 | 0.8% |
| 47058 | CareFirst of Maryland, Inc. | 71 | 10.5% | 19 | 2.8% | 48 | 7.1% | 13 | 1.9% |
| 80799 | Celtic Ins Co | 7 | 46.7% | 2 | 13.3% | 1 | 6.7% | 0 | 0.0% |
| 48119 | CIGNA Dental Health of MD, Inc. | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95599 | CIGNA Healthcare Mid-Atlantic, Inc | 79 | 27.3% | 53 | 18.3% | 44 | 15.2% | 9 | 3.1% |
| 77828 | Companion Life Insurance Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 62308 | Connecticut General Life Insurance | 65 | 26.4% | 23 | 9.3% | 13 | 5.3% | 14 | 5.7% |
| 62413 | Continental Assurance Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 71404 | Continental General Ins Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 96460 | Coventry Health Care of Maryland, Inc. | 60 | 30.5% | 68 | 34.5% | 2 | 1.0% | 1 | 0.5% |
| 95574 | Delmarva Health Plan, Inc. | 7 | 53.8% | 1 | 7.7% | 0 | 0.0% | 0 | 0.0% |
| 47040 | Dental Benefit Providers of MD, Inc. | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 43010 | Fidelity Ins Co of MD | 10 | 19.2% | 7 | 13.5% | 0 | 0.0% | 1 | 1.9% |
| 70408 | Fortis Benefits Ins Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 69477 | Fortis Insurance Co (Fortis Health) | 0 | 0.0% | 2 | 50.0% | 0 | 0.0% | 0 | 0.0% |
| 95572 | Freestate Health Plan, Inc. | 1 | 5.6% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 80926 | GE Group Life Assurance Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 62286 | Golden Rule Insurance Co | 1 | 100.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95846 | Group Dental Service of Maryland, Inc. | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 53007 | Group Hosp & MedServ, Inc. | 14 | 14.0% | 2 | 2.0% | 22 | 22.0% | 2 | 2.0% |
| 64246 | Guardian Life Ins Co Of America | 4 | 4.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 70254 | Jefferson Pilot Financial Insurance Company | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95639 | Kaiser Fndtn Health Plan-Mid-Atl | 45 | 45.0% | 2 | 2.0% | 0 | 0.0% | 3 | 3.0% |
| 60321 | MAMSI Life & Health Ins Co | 21 | 5.9% | 0 | 0.0% | 2 | 0.6% | 11 | 3.1% |
| 96310 | MD-Individual Practive Assoc. | 10 | 8.0% | 0 | 0.0% | 1 | 0.8% | 5 | 4.0% |
| 97055 | Mega Life & Health Ins. Co. | 6 | 42.9% | 4 | 28.6% | 2 | 14.3% | 1 | 7.1% |
| 71412 | Mutual of Omaha Ins Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 66869 | Nationwide Life Ins Co | 1 | 14.3% | 0 | 0.0% | 3 | 42.9% | 1 | 14.3% |
| 96940 | Optimum Choice, Inc. | 42 | 7.2% | 0 | 0.0% | 0 | 0.0% | 10 | 1.7% |
| 95641 | Preferred Health Network | 3 | 3.8% | 0 | 0.0% | 4 | 5.1% | 11 | 13.9% |

*L=Outpatient Hospital Services,
Education Services, and
Transportation

APPEALS AND GRIEVANCES
CARRIER'S INTERNAL GRIEVANCE STATISTICS BY SERVICE - 2002

| NAIC # | COMPANY NAME | H. SKILLED NURS FAC, Sub Acute, Nurs Home | | I. DURABLE MEDICAL EQUIPMENT Services | | J. PODIATRY, DENTAL, OPTOMETRY, CHIRO | | K. HOME HEALTH SERVICES | |
|--------|---------------------------------------------|----------------------------------------------|---------|------------------------------------------|---------|------------------------------------------|---------|----------------------------|---------|
| | | NUMBER | % TOTAL | NUMBER | % TOTAL | NUMBER | % TOTAL | NUMBER | % TOTAL |
| 95910 | Aetna Dental Inc. | 0 | 0.0% | 0 | 0.0% | 120 | 100.0% | 0 | 0.0% |
| 95590 | Aetna US Healthcare, Inc. | 1 | 0.4% | 4 | 1.7% | 4 | 1.7% | 0 | 0.0% |
| 90611 | Allianz Life Ins Co of N. America | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 61301 | Ameritas Life Ins Co | 0 | 0.0% | 0 | 0.0% | 9 | 100.0% | 0 | 0.0% |
| 96202 | CareFirst BlueChoice, Inc | 1 | 0.8% | 4 | 3.1% | 1 | 0.8% | 0 | 0.0% |
| 47058 | CareFirst of Maryland, Inc. | 1 | 0.1% | 17 | 2.5% | 13 | 1.9% | 1 | 0.1% |
| 80799 | Celtic Ins Co | 0 | 0.0% | 1 | 6.7% | 1 | 6.7% | 0 | 0.0% |
| 48119 | CIGNA Dental Health of MD, Inc. | 0 | 0.0% | 0 | 0.0% | 7 | 100.0% | 0 | 0.0% |
| 95599 | CIGNA Healthcare Mid-Atlantic, Inc | 0 | 0.0% | 9 | 3.1% | 0 | 0.0% | 1 | 0.3% |
| 77828 | Companion Life Insurance Co | 0 | 0.0% | 0 | 0.0% | 19 | 100.0% | 0 | 0.0% |
| 62308 | Connecticut General Life Insurance | 0 | 0.0% | 7 | 2.8% | 29 | 11.8% | 1 | 0.4% |
| 62413 | Continental Assurance Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 71404 | Continental General Ins Co | 0 | 0.0% | 0 | 0.0% | 1 | 100.0% | 0 | 0.0% |
| 96460 | Coventry Health Care of Maryland, Inc. | 0 | 0.0% | 11 | 5.6% | 9 | 4.6% | 0 | 0.0% |
| 95574 | Delmarva Health Plan, Inc. | 0 | 0.0% | 1 | 7.7% | 0 | 0.0% | 0 | 0.0% |
| 47040 | Dental Benefit Providers of MD, Inc. | 0 | 0.0% | 0 | 0.0% | 142 | 100.0% | 0 | 0.0% |
| 43010 | Fidelity Ins Co of MD | 0 | 0.0% | 5 | 9.6% | 0 | 0.0% | 0 | 0.0% |
| 70408 | Fortis Benefits Ins Co | 0 | 0.0% | 0 | 0.0% | 1 | 100.0% | 0 | 0.0% |
| 69477 | Fortis Insurance Co (Fortis Health) | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95572 | Freestate Health Plan, Inc. | 0 | 0.0% | 1 | 5.6% | 0 | 0.0% | 0 | 0.0% |
| 80926 | GE Group Life Assurance Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 1 | 50.0% |
| 62286 | Golden Rule Insurance Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95846 | Group Dental Service of Maryland, Inc. | 0 | 0.0% | 0 | 0.0% | 913 | 100.0% | 0 | 0.0% |
| 53007 | Group Hosp & MedServ, Inc. | 1 | 1.0% | 2 | 2.0% | 0 | 0.0% | 2 | 2.0% |
| 64246 | Guardian Life Ins Co Of America | 0 | 0.0% | 0 | 0.0% | 78 | 78.8% | 0 | 0.0% |
| 70254 | Jefferson Pilot Financial Insurance Company | 0 | 0.0% | 0 | 0.0% | 2 | 100.0% | 0 | 0.0% |
| 95639 | Kaiser Fndtn Health Plan-Mid-Atl | 1 | 1.0% | 0 | 0.0% | 3 | 3.0% | 1 | 1.0% |
| 60321 | MAMSI Life & Health Ins Co | 6 | 1.7% | 8 | 2.3% | 3 | 0.8% | 0 | 0.0% |
| 96310 | MD-Individual Practive Assoc. | 3 | 2.4% | 1 | 0.8% | 1 | 0.8% | 0 | 0.0% |
| 97055 | Mega Life & Health Ins. Co. | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 71412 | Mutual of Omaha Ins Co | 0 | 0.0% | 1 | 50.0% | 0 | 0.0% | 0 | 0.0% |
| 66869 | Nationwide Life Ins Co | 0 | 0.0% | 1 | 14.3% | 0 | 0.0% | 0 | 0.0% |
| 96940 | Optimum Choice, Inc. | 3 | 0.5% | 2 | 0.3% | 3 | 0.5% | 0 | 0.0% |
| 95641 | Preferred Health Network | 0 | 0.0% | 2 | 2.5% | 0 | 0.0% | 0 | 0.0% |

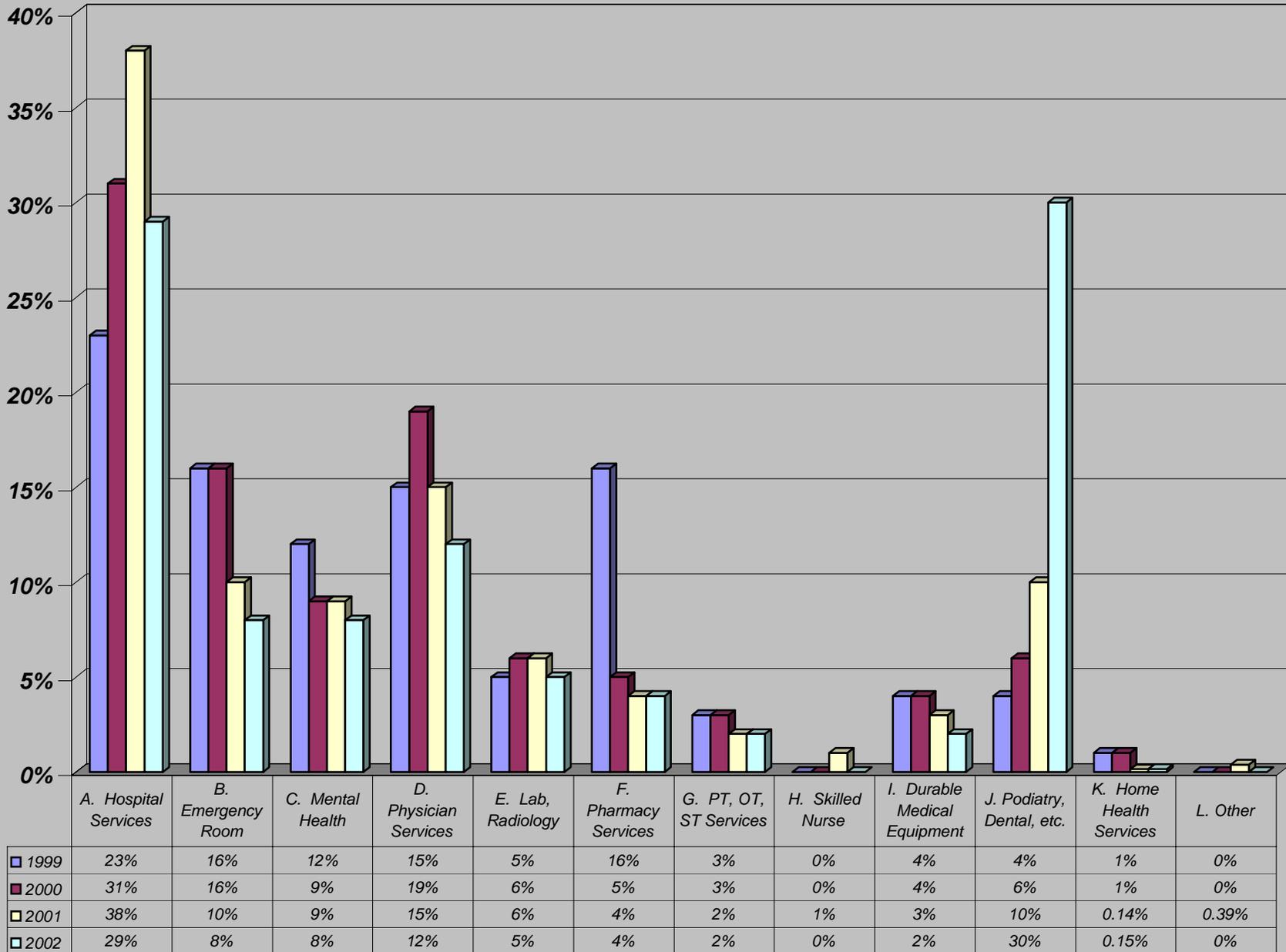
*L=Outpatient Hospital Services,
Education Services, and
Transportation

APPEALS AND GRIEVANCES
CARRIER'S INTERNAL GRIEVANCE STATISTICS BY SERVICE - 2002

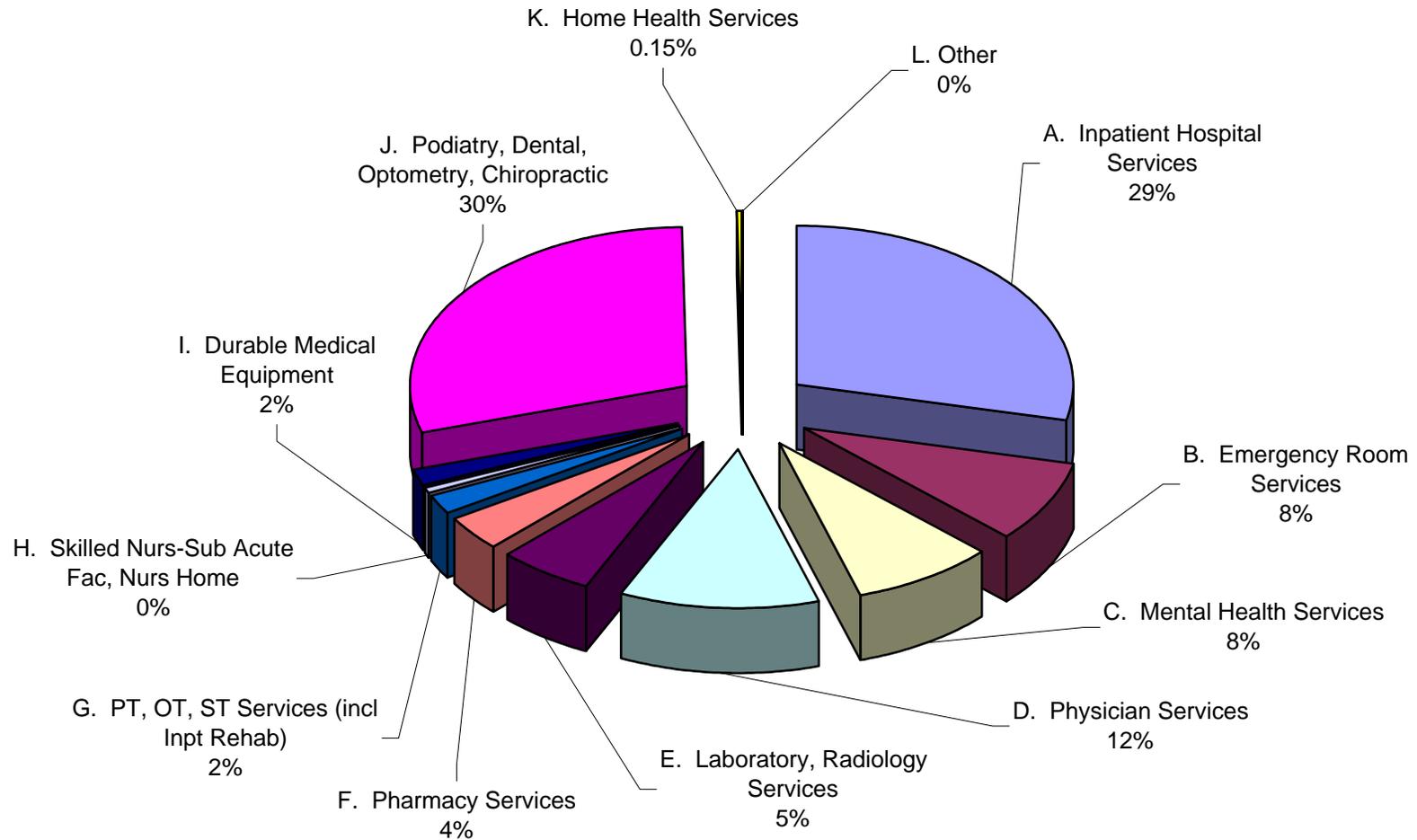
| NAIC # | COMPANY NAME | *L. OTHER | |
|--------|---------------------------------------------|-----------|---------|
| | | NUMBER | % TOTAL |
| 95910 | Aetna Dental Inc. | 0 | 0.0% |
| 95590 | Aetna US Healthcare, Inc. | 0 | 0.0% |
| 90611 | Allianz Life Ins Co of N. America | 0 | 0.0% |
| 61301 | Ameritas Life Ins Co | 0 | 0.0% |
| 96202 | CareFirst BlueChoice, Inc | 0 | 0.0% |
| 47058 | CareFirst of Maryland, Inc. | 0 | 0.0% |
| 80799 | Celtic Ins Co | 0 | 0.0% |
| 48119 | CIGNA Dental Health of MD, Inc. | 0 | 0.0% |
| 95599 | CIGNA Healthcare Mid-Atlantic, Inc | 0 | 0.0% |
| 77828 | Companion Life Insurance Co | 0 | 0.0% |
| 62308 | Connecticut General Life Insurance | 0 | 0.0% |
| 62413 | Continental Assurance Co | 0 | 0.0% |
| 71404 | Continental General Ins Co | 0 | 0.0% |
| 96460 | Coventry Health Care of Maryland, Inc. | 0 | 0.0% |
| 95574 | Delmarva Health Plan, Inc. | 0 | 0.0% |
| 47040 | Dental Benefit Providers of MD, Inc. | 0 | 0.0% |
| 43010 | Fidelity Ins Co of MD | 0 | 0.0% |
| 70408 | Fortis Benefits Ins Co | 0 | 0.0% |
| 69477 | Fortis Insurance Co (Fortis Health) | 0 | 0.0% |
| 95572 | Freestate Health Plan, Inc. | 0 | 0.0% |
| 80926 | GE Group Life Assurance Co | 0 | 0.0% |
| 62286 | Golden Rule Insurance Co | 0 | 0.0% |
| 95846 | Group Dental Service of Maryland, Inc. | 0 | 0.0% |
| 53007 | Group Hosp & MedServ, Inc. | 0 | 0.0% |
| 64246 | Guardian Life Ins Co Of America | 0 | 0.0% |
| 70254 | Jefferson Pilot Financial Insurance Company | 0 | 0.0% |
| 95639 | Kaiser Fndtn Health Plan-Mid-Atl | 0 | 0.0% |
| 60321 | MAMSI Life & Health Ins Co | 0 | 0.0% |
| 96310 | MD-Individual Practive Assoc. | 0 | 0.0% |
| 97055 | Mega Life & Health Ins. Co. | 0 | 0.0% |
| 71412 | Mutual of Omaha Ins Co | 0 | 0.0% |
| 66869 | Nationwide Life Ins Co | 0 | 0.0% |
| 96940 | Optimum Choice, Inc. | 0 | 0.0% |
| 95641 | Preferred Health Network | 0 | 0.0% |

***L=Outpatient Hospital Services,
Education Services, and
Transportation**

GRIEVANCES REPORTED BY CARRIERS TYPE OF SERVICES AS A PERCENTAGE OF TOTAL GRIEVANCES 1999 v 2000 v 2001 v 2002



CARRIER INTERNAL GRIEVANCES REPORTED BY SERVICE - 2002



**APPEALS AND GRIEVANCES
CARRIER'S INTERNAL ADVERSE DECISIONS STATISTICS BY CATEGORY - 2002**

| NAIC # | COMPANY NAME | ADVERSE DECISIONS | | A. INPATIENT HOSPITAL SERVICES | | B. EMERGENCY ROOM SERVICES | | C. MENTAL HEALTH SERVICES | |
|--------|---------------------------------------------|-------------------|--------------------|--------------------------------|---------|----------------------------|---------|---------------------------|---------|
| | | COMPANY TOTAL | % OF ALL COMPANIES | NUMBER | % TOTAL | NUMBER | % TOTAL | NUMBER | % TOTAL |
| | | | | | | | | | |
| 95910 | Aetna Dental Inc. | 37 | 0.1% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95590 | Aetna US Healthcare, Inc. | 3337 | 8.0% | 1314 | 39.4% | 0 | 0.0% | 332 | 9.9% |
| 90611 | Allianz Life Ins Co of N. America | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 61301 | Ameritas Life Ins Co | 19 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 96202 | CareFirst BlueChoice, Inc | 2432 | 5.9% | 939 | 38.6% | 26 | 1.1% | 149 | 6.1% |
| 47058 | CareFirst of Maryland, Inc. | 11757 | 28.3% | 5952 | 50.6% | 8 | 0.1% | 707 | 6.0% |
| 80799 | Celtic Ins Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 48119 | CIGNA Dental Health of MD, Inc. | 43 | 0.1% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95599 | CIGNA Healthcare Mid-Atlantic, Inc | 698 | 1.7% | 92 | 13.2% | 2 | 0.3% | 11 | 1.6% |
| 77828 | Companion Life Insurance Co | 47 | 0.1% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 62308 | Connecticut General Life Insurance | 521 | 1.3% | 103 | 19.8% | 0 | 0.0% | 37 | 7.1% |
| 62413 | Continental Assurance Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 71404 | Continental General Ins Co | 1 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 96460 | Coventry Health Care of Maryland, Inc. | 507 | 1.2% | 243 | 47.9% | 141 | 27.8% | 0 | 0.0% |
| 95574 | Delmarva Health Plan, Inc. | 18 | 0.0% | 10 | 55.6% | 0 | 0.0% | 0 | 0.0% |
| 47040 | Dental Benefit Providers of MD, Inc. | 1302 | 3.1% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 43010 | Fidelity Ins Co of MD | 19 | 0.0% | 0 | 0.0% | 12 | 63.2% | 1 | 5.3% |
| 70408 | Fortis Benefits Ins Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 69477 | Fortis Insurance Co (Fortis Health) | 4 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95572 | Freestate Health Plan, Inc. | 1185 | 2.9% | 533 | 45.0% | 0 | 0.0% | 14 | 1.2% |
| 80926 | GE Group Life Assurance Co | 8 | 0.0% | 3 | 37.5% | 0 | 0.0% | 3 | 37.5% |
| 62286 | Golden Rule Insurance Co | 1 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95846 | Group Dental Service of Maryland, Inc. | 3216 | 7.7% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 53007 | Group Hosp & MedServ, Inc. | 1357 | 3.3% | 330 | 24.3% | 12 | 0.9% | 122 | 9.0% |
| 64246 | Guardian Life Ins Co Of America | 388 | 0.9% | 71 | 18.3% | 0 | 0.0% | 3 | 0.8% |
| 70254 | Jefferson Pilot Financial Insurance Company | 16 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95639 | Kaiser Fndtn Health Plan-Mid-Atl | 266 | 0.6% | 18 | 6.8% | 0 | 0.0% | 16 | 6.0% |
| 60321 | MAMSI Life & Health Ins Co | 3669 | 8.8% | 601 | 16.4% | 2791 | 76.1% | 26 | 0.7% |
| 96310 | MD-Individual Practive Assoc. | 1092 | 2.6% | 314 | 28.8% | 666 | 61.0% | 2 | 0.2% |
| 97055 | Mega Life & Health Ins. Co. | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 71412 | Mutual of Omaha Ins Co | 2 | 0.0% | 1 | 50.0% | 0 | 0.0% | 0 | 0.0% |
| 66869 | Nationwide Life Ins Co | 2 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 96940 | Optimum Choice, Inc. | 9261 | 22.3% | 1342 | 14.5% | 7486 | 80.8% | 50 | 0.5% |
| 95641 | Preferred Health Network | 225 | 0.5% | 82 | 36.4% | 0 | 0.0% | 43 | 19.1% |

*L=Outpatient Hospital Services,
Education Services, and
Transportation

APPEALS AND GRIEVANCES
CARRIER'S INTERNAL ADVERSE DECISIONS STATISTICS BY CATEGORY - 2002

| NAIC # | COMPANY NAME | D. PHYSICIAN SERVICES | | E. LABORATORY, RADIOLOGY SERV | | F. PHARMACY SERVICES | | G. PT, OT, ST Services (incl INPAT REHAB) | |
|--------|---------------------------------------------|-----------------------|---------|-------------------------------|---------|----------------------|---------|-------------------------------------------|---------|
| | | NUMBER | % TOTAL | NUMBER | % TOTAL | NUMBER | % TOTAL | NUMBER | % TOTAL |
| 95910 | Aetna Dental Inc. | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95590 | Aetna US Healthcare, Inc. | 155 | 4.6% | 792 | 23.7% | 668 | 20.0% | 26 | 0.8% |
| 90611 | Allianz Life Ins Co of N. America | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 61301 | Ameritas Life Ins Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 96202 | CareFirst BlueChoice, Inc | 690 | 28.4% | 53 | 2.2% | 441 | 18.1% | 36 | 1.5% |
| 47058 | CareFirst of Maryland, Inc. | 1528 | 13.0% | 1111 | 9.4% | 831 | 7.1% | 287 | 2.4% |
| 80799 | Celtic Ins Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 48119 | CIGNA Dental Health of MD, Inc. | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95599 | CIGNA Healthcare Mid-Atlantic, Inc | 31 | 4.4% | 186 | 26.6% | 363 | 52.0% | 2 | 0.3% |
| 77828 | Companion Life Insurance Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 62308 | Connecticut General Life Insurance | 44 | 8.4% | 229 | 44.0% | 78 | 15.0% | 1 | 0.2% |
| 62413 | Continental Assurance Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 71404 | Continental General Ins Co | 0 | 0.0% | 1 | 100.0% | 0 | 0.0% | 0 | 0.0% |
| 96460 | Coventry Health Care of Maryland, Inc. | 30 | 5.9% | 46 | 9.1% | 5 | 1.0% | 11 | 2.2% |
| 95574 | Delmarva Health Plan, Inc. | 2 | 11.1% | 1 | 5.6% | 4 | 22.2% | 0 | 0.0% |
| 47040 | Dental Benefit Providers of MD, Inc. | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 43010 | Fidelity Ins Co of MD | 1 | 5.3% | 3 | 15.8% | 0 | 0.0% | 1 | 5.3% |
| 70408 | Fortis Benefits Ins Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 69477 | Fortis Insurance Co (Fortis Health) | 0 | 0.0% | 1 | 25.0% | 0 | 0.0% | 0 | 0.0% |
| 95572 | Freestate Health Plan, Inc. | 572 | 48.3% | 5 | 0.4% | 7 | 0.6% | 8 | 0.7% |
| 80926 | GE Group Life Assurance Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 62286 | Golden Rule Insurance Co | 1 | 100.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95846 | Group Dental Service of Maryland, Inc. | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 53007 | Group Hosp & MedServ, Inc. | 521 | 38.4% | 47 | 3.5% | 128 | 9.4% | 97 | 7.1% |
| 64246 | Guardian Life Ins Co Of America | 16 | 4.1% | 0 | 0.0% | 0 | 0.0% | 38 | 9.8% |
| 70254 | Jefferson Pilot Financial Insurance Company | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95639 | Kaiser Fndtn Health Plan-Mid-Atl | 135 | 50.8% | 11 | 4.1% | 0 | 0.0% | 17 | 6.4% |
| 60321 | MAMSI Life & Health Ins Co | 77 | 2.1% | 0 | 0.0% | 12 | 0.3% | 53 | 1.4% |
| 96310 | MD-Individual Practive Assoc. | 34 | 3.1% | 0 | 0.0% | 1 | 0.1% | 31 | 2.8% |
| 97055 | Mega Life & Health Ins. Co. | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 71412 | Mutual of Omaha Ins Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 66869 | Nationwide Life Ins Co | 0 | 0.0% | 0 | 0.0% | 1 | 50.0% | 1 | 50.0% |
| 96940 | Optimum Choice, Inc. | 174 | 1.9% | 0 | 0.0% | 12 | 0.1% | 91 | 1.0% |
| 95641 | Preferred Health Network | 1 | 0.4% | 2 | 0.9% | 60 | 26.7% | 28 | 12.4% |

*L=Outpatient Hospital Services,
Education Services, and
Transportation

APPEALS AND GRIEVANCES
CARRIER'S INTERNAL ADVERSE DECISIONS STATISTICS BY CATEGORY - 2002

| NAIC # | COMPANY NAME | H. SKILLED NURS FAC, Sub Acute, Nurs Home | | I. DURABLE MEDICAL EQUIPMENT Services | | J. PODIATRY, DENTAL, OPTOMETRY, CHIRO | | K. HOME HEALTH SERVICES | |
|--------|---------------------------------------------|----------------------------------------------|---------|------------------------------------------|---------|------------------------------------------|---------|----------------------------|---------|
| | | NUMBER | % TOTAL | NUMBER | % TOTAL | NUMBER | % TOTAL | NUMBER | % TOTAL |
| 95910 | Aetna Dental Inc. | 0 | 0.0% | 0 | 0.0% | 37 | 100.0% | 0 | 0% |
| 95590 | Aetna US Healthcare, Inc. | 4 | 0.1% | 22 | 0.7% | 22 | 0.7% | 2 | 0% |
| 90611 | Allianz Life Ins Co of N. America | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0% |
| 61301 | Ameritas Life Ins Co | 0 | 0.0% | 0 | 0.0% | 19 | 100.0% | 0 | 0% |
| 96202 | CareFirst BlueChoice, Inc | 15 | 0.6% | 75 | 3.1% | 8 | 0.3% | 0 | 0% |
| 47058 | CareFirst of Maryland, Inc. | 95 | 0.8% | 925 | 7.9% | 304 | 2.6% | 9 | 0.1% |
| 80799 | Celtic Ins Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 48119 | CIGNA Dental Health of MD, Inc. | 0 | 0.0% | 0 | 0.0% | 43 | 100.0% | 0 | 0.0% |
| 95599 | CIGNA Healthcare Mid-Atlantic, Inc | 1 | 0.1% | 8 | 1.1% | 1 | 0.1% | 1 | 0.1% |
| 77828 | Companion Life Insurance Co | 0 | 0.0% | 0 | 0.0% | 47 | 100.0% | 0 | 0.0% |
| 62308 | Connecticut General Life Insurance | 1 | 0.2% | 0 | 0.0% | 27 | 5.2% | 1 | 0.2% |
| 62413 | Continental Assurance Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 71404 | Continental General Ins Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 96460 | Coventry Health Care of Maryland, Inc. | 9 | 1.8% | 22 | 4.3% | 0 | 0.0% | 0 | 0.0% |
| 95574 | Delmarva Health Plan, Inc. | 0 | 0.0% | 1 | 5.6% | 0 | 0.0% | 0 | 0.0% |
| 47040 | Dental Benefit Providers of MD, Inc. | 0 | 0.0% | 0 | 0.0% | 1302 | 100.0% | 0 | 0.0% |
| 43010 | Fidelity Ins Co of MD | 0 | 0.0% | 1 | 5.3% | 0 | 0.0% | 0 | 0.0% |
| 70408 | Fortis Benefits Ins Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 69477 | Fortis Insurance Co (Fortis Health) | 0 | 0.0% | 0 | 0.0% | 3 | 75.0% | 0 | 0.0% |
| 95572 | Freestate Health Plan, Inc. | 32 | 2.7% | 14 | 1.2% | 0 | 0.0% | 0 | 0.0% |
| 80926 | GE Group Life Assurance Co | 0 | 0.0% | 1 | 12.5% | 0 | 0.0% | 1 | 12.5% |
| 62286 | Golden Rule Insurance Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 95846 | Group Dental Service of Maryland, Inc. | 0 | 0.0% | 0 | 0.0% | 3216 | 100.0% | 0 | 0.0% |
| 53007 | Group Hosp & MedServ, Inc. | 4 | 0.3% | 40 | 2.9% | 54 | 4.0% | 2 | 0.1% |
| 64246 | Guardian Life Ins Co Of America | 0 | 0.0% | 0 | 0.0% | 260 | 67.0% | 0 | 0.0% |
| 70254 | Jefferson Pilot Financial Insurance Company | 0 | 0.0% | 0 | 0.0% | 16 | 100.0% | 0 | 0.0% |
| 95639 | Kaiser Fndtn Health Plan-Mid-Atl | 5 | 1.9% | 31 | 11.7% | 30 | 11.3% | 3 | 1.1% |
| 60321 | MAMSI Life & Health Ins Co | 61 | 1.7% | 42 | 1.1% | 6 | 0.2% | 0 | 0.0% |
| 96310 | MD-Individual Practive Assoc. | 17 | 1.6% | 21 | 1.9% | 6 | 0.5% | 0 | 0.0% |
| 97055 | Mega Life & Health Ins. Co. | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 71412 | Mutual of Omaha Ins Co | 0 | 0.0% | 1 | 50.0% | 0 | 0.0% | 0 | 0.0% |
| 66869 | Nationwide Life Ins Co | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| 96940 | Optimum Choice, Inc. | 39 | 0.4% | 51 | 0.6% | 14 | 0.2% | 2 | 0.0% |
| 95641 | Preferred Health Network | 0 | 0.0% | 6 | 2.7% | 3 | 1.3% | 0 | 0.0% |

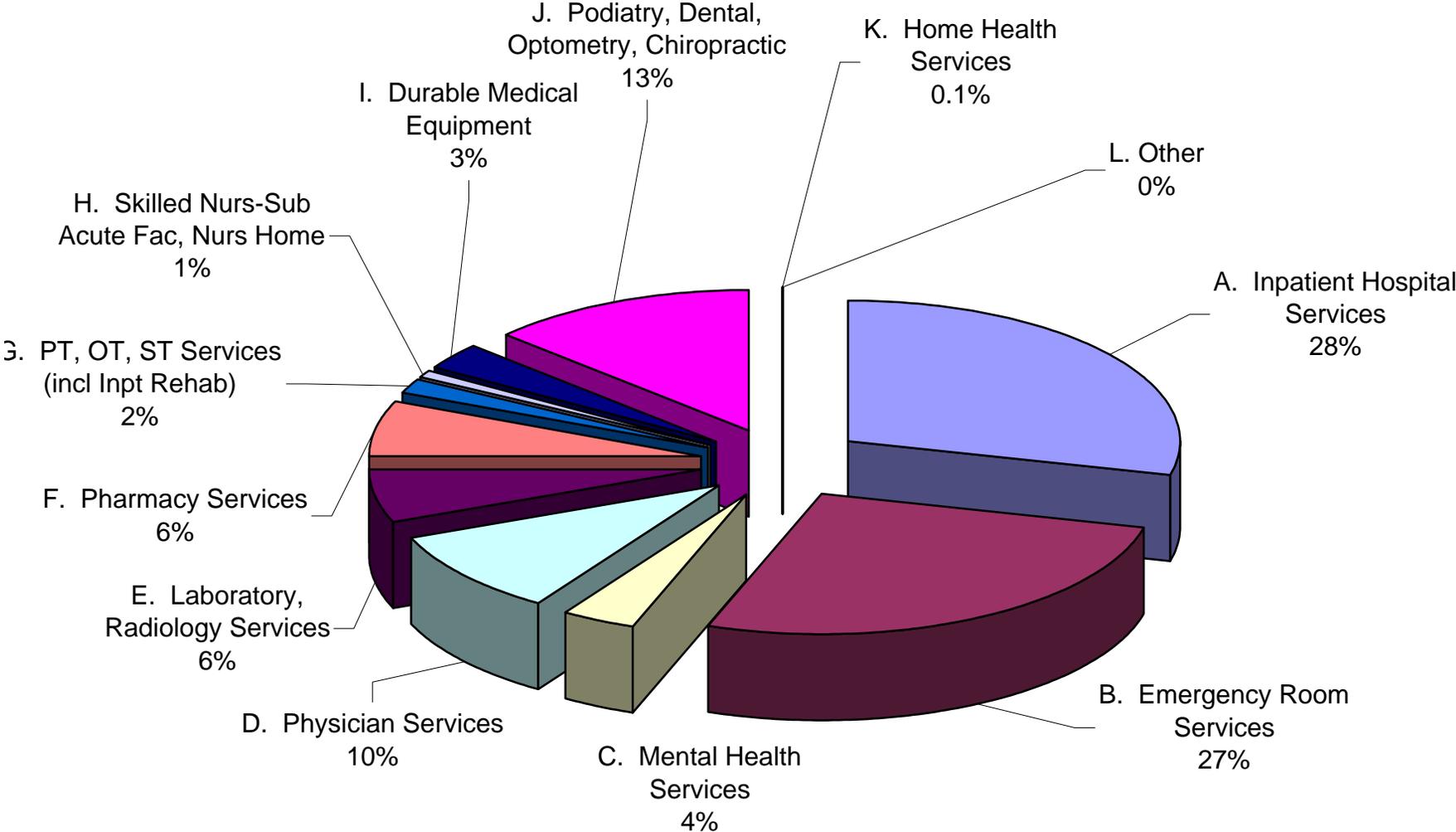
*L=Outpatient Hospital Services,
Education Services, and
Transportation

APPEALS AND GRIEVANCES
CARRIER'S INTERNAL ADVERSE DECISIONS STATISTICS BY CATEGORY - 2002

| NAIC # | COMPANY NAME | *L. OTHER | |
|--------|---------------------------------------------|-----------|---------|
| | | NUMBER | % TOTAL |
| 95910 | Aetna Dental Inc. | 0 | 0.0% |
| 95590 | Aetna US Healthcare, Inc. | 0 | 0.0% |
| 90611 | Allianz Life Ins Co of N. America | 0 | 0.0% |
| 61301 | Ameritas Life Ins Co | 0 | 0.0% |
| 96202 | CareFirst BlueChoice, Inc | 0 | 0.0% |
| 47058 | CareFirst of Maryland, Inc. | 0 | 0.0% |
| 80799 | Celtic Ins Co | 0 | 0.0% |
| 48119 | CIGNA Dental Health of MD, Inc. | 0 | 0.0% |
| 95599 | CIGNA Healthcare Mid-Atlantic, Inc | 0 | 0.0% |
| 77828 | Companion Life Insurance Co | 0 | 0.0% |
| 62308 | Connecticut General Life Insurance | 0 | 0.0% |
| 62413 | Continental Assurance Co | 0 | 0.0% |
| 71404 | Continental General Ins Co | 0 | 0.0% |
| 96460 | Coventry Health Care of Maryland, Inc. | 0 | 0.0% |
| 95574 | Delmarva Health Plan, Inc. | 0 | 0.0% |
| 47040 | Dental Benefit Providers of MD, Inc. | 0 | 0.0% |
| 43010 | Fidelity Ins Co of MD | 0 | 0.0% |
| 70408 | Fortis Benefits Ins Co | 0 | 0.0% |
| 69477 | Fortis Insurance Co (Fortis Health) | 0 | 0.0% |
| 95572 | Freestate Health Plan, Inc. | 0 | 0.0% |
| 80926 | GE Group Life Assurance Co | 0 | 0.0% |
| 62286 | Golden Rule Insurance Co | 0 | 0.0% |
| 95846 | Group Dental Service of Maryland, Inc. | 0 | 0.0% |
| 53007 | Group Hosp & MedServ, Inc. | 0 | 0.0% |
| 64246 | Guardian Life Ins Co Of America | 0 | 0.0% |
| 70254 | Jefferson Pilot Financial Insurance Company | 0 | 0.0% |
| 95639 | Kaiser Fndtn Health Plan-Mid-Atl | 0 | 0.0% |
| 60321 | MAMSI Life & Health Ins Co | 0 | 0.0% |
| 96310 | MD-Individual Practive Assoc. | 0 | 0.0% |
| 97055 | Mega Life & Health Ins. Co. | 0 | 0.0% |
| 71412 | Mutual of Omaha Ins Co | 0 | 0.0% |
| 66869 | Nationwide Life Ins Co | 0 | 0.0% |
| 96940 | Optimum Choice, Inc. | 0 | 0.0% |
| 95641 | Preferred Health Network | 0 | 0.0% |

***L=Outpatient Hospital Services,
Education Services, and
Transportation**

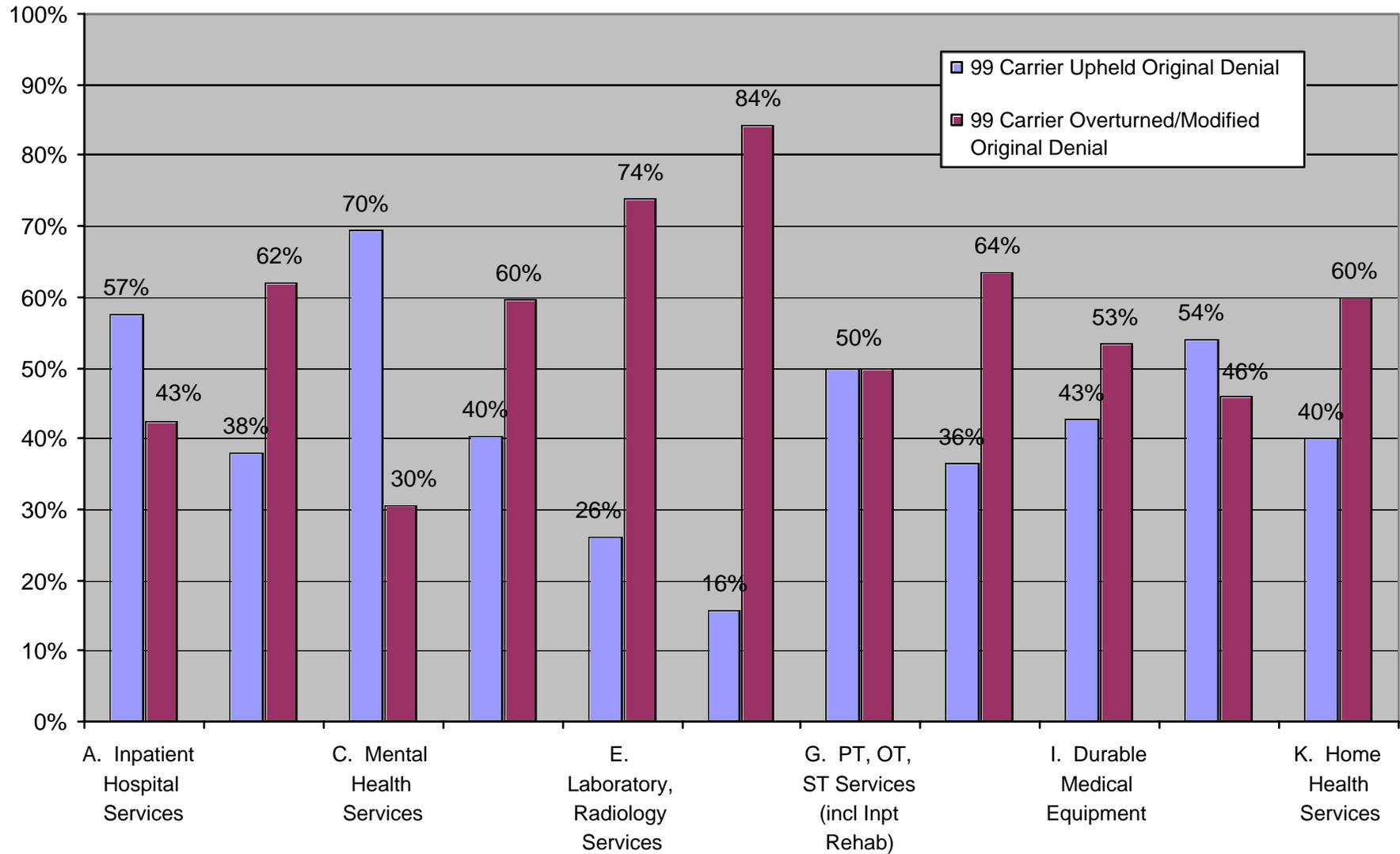
CARRIER'S INTERNAL ADVERSE DECISIONS REPORTED BY SERVICES - 2002



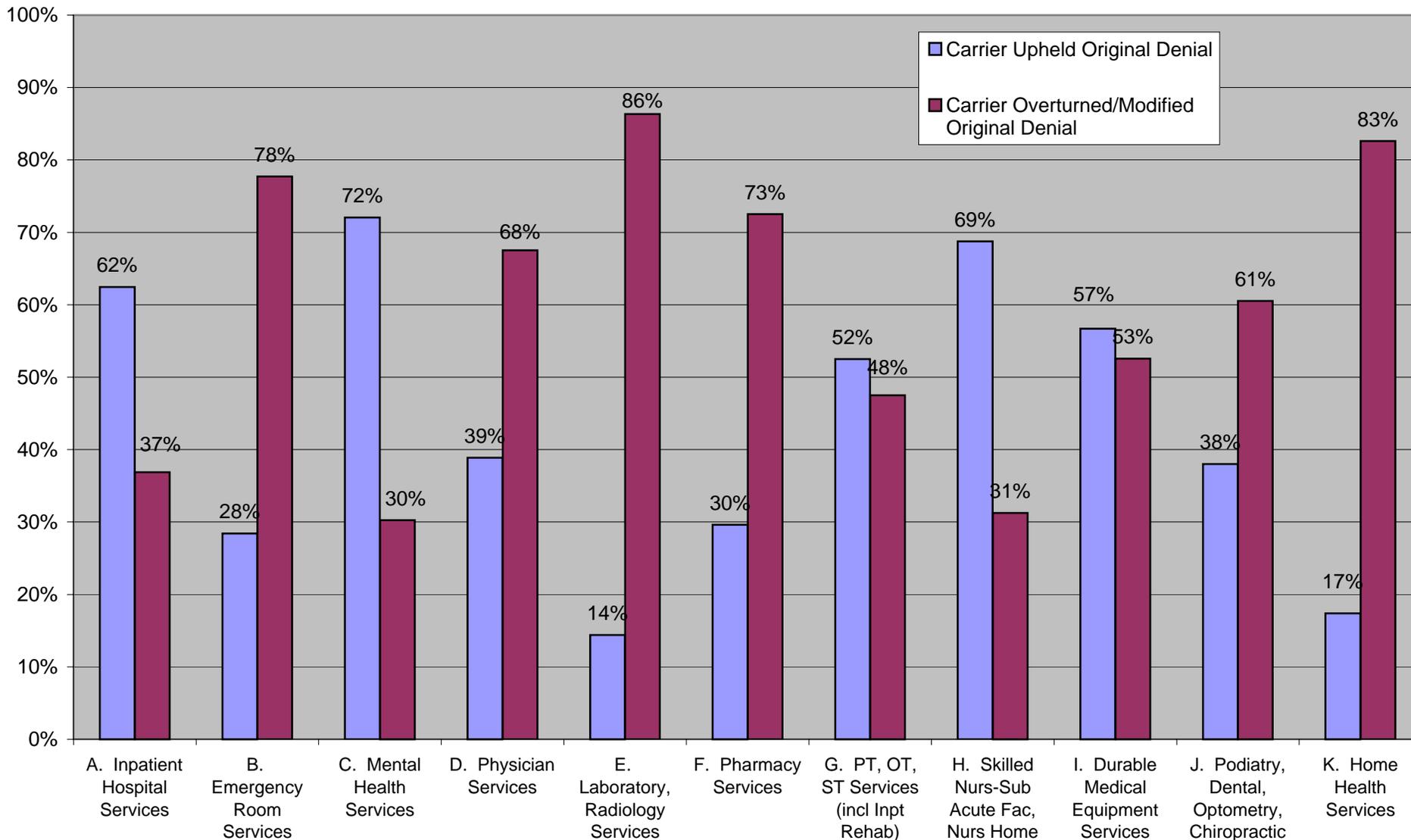
APPEALS AND GRIEVANCES
CARRIER'S DISPOSITION OF INTERNAL GRIEVANCES - 2002

| NAIC # | COMPANY NAME | GRIEVANCES FILED | | ORIGINAL DECISION OF INSURANCE COMPANY WAS... | | | | | |
|--------|---------------------------------------------|------------------|--------------------|-----------------------------------------------|---------|------------|---------|----------|---------|
| | | COMPANY TOTAL | % OF ALL COMPANIES | UPHELD | | OVERTURNED | | MODIFIED | |
| | | | | NUMBER | % TOTAL | NUMBER | % TOTAL | NUMBER | % TOTAL |
| 95910 | Aetna Dental Inc. | 120 | 2.6% | 113 | 94.2% | 7 | 5.8% | 0 | 0.0% |
| 95590 | Aetna US Healthcare, Inc. | 232 | 5.0% | 93 | 40.1% | 134 | 57.8% | 5 | 2.2% |
| 90611 | Allianz Life Ins Co of N. America | 10 | 0.2% | 8 | 80.0% | 2 | 20.0% | 0 | 0.0% |
| 61301 | Ameritas Life Ins Co | 9 | 0.2% | 9 | 100.0% | 0 | 0.0% | 0 | 0.0% |
| 96202 | CareFirst BlueChoice, Inc | 130 | 2.8% | 78 | 60.0% | 43 | 33.1% | 9 | 6.9% |
| 47058 | CareFirst of Maryland, Inc. | 679 | 14.8% | 429 | 63.2% | 193 | 28.4% | 57 | 8.4% |
| 80799 | Celtic Ins Co | 15 | 0.3% | 9 | 60.0% | 6 | 40.0% | 0 | 0.0% |
| 48119 | CIGNA Dental Health of MD, Inc. | 7 | 0.2% | 0 | 0.0% | 7 | 100.0% | 0 | 0.0% |
| 95599 | CIGNA Healthcare Mid-Atlantic, Inc | 289 | 6.3% | 95 | 32.9% | 170 | 58.8% | 24 | 8.3% |
| 77828 | Companion Life Insurance Co | 19 | 0.4% | 2 | 10.5% | 17 | 89.5% | 0 | 0.0% |
| 62308 | Connecticut General Life Insurance | 246 | 5.4% | 91 | 37.0% | 147 | 59.8% | 8 | 3.3% |
| 62413 | Continental Assurance Co | 2 | 0.0% | 1 | 50.0% | 0 | 0.0% | 1 | 50.0% |
| 71404 | Continental General Ins Co | 1 | 0.0% | 1 | 100.0% | 0 | 0.0% | 0 | 0.0% |
| 96460 | Coventry Health Care of Maryland, Inc. | 197 | 4.3% | 26 | 13.2% | 171 | 86.8% | 0 | 0.0% |
| 95574 | Delmarva Health Plan, Inc. | 13 | 0.3% | 5 | 38.5% | 8 | 61.5% | 0 | 0.0% |
| 47040 | Dental Benefit Providers of MD, Inc. | 142 | 3.1% | 64 | 45.1% | 55 | 38.7% | 23 | 16.2% |
| 43010 | Fidelity Ins Co of MD | 52 | 1.1% | 17 | 32.7% | 33 | 63.5% | 2 | 3.8% |
| 70408 | Fortis Benefits Ins Co | 1 | 0.0% | 0 | 0.0% | 1 | 100.0% | 0 | 0.0% |
| 69477 | Fortis Insurance Co (Fortis Health) | 4 | 0.1% | 4 | 100.0% | 0 | 0.0% | 0 | 0.0% |
| 95572 | Freestate Health Plan, Inc. | 18 | 0.4% | 11 | 61.1% | 5 | 27.8% | 2 | 11.1% |
| 80926 | GE Group Life Assurance Co | 2 | 0.0% | 2 | 100.0% | 0 | 0.0% | 0 | 0.0% |
| 62286 | Golden Rule Insurance Co | 1 | 0.0% | 1 | 100.0% | 0 | 0.0% | 0 | 0.0% |
| 95846 | Group Dental Service of Maryland, Inc. | 913 | 19.9% | 143 | 15.7% | 366 | 40.1% | 404 | 44.2% |
| 53007 | Group Hosp & MedServ, Inc. | 100 | 2.2% | 67 | 67.0% | 31 | 31.0% | 2 | 2.0% |
| 64246 | Guardian Life Ins Co Of America | 99 | 2.2% | 35 | 35.4% | 56 | 56.6% | 8 | 8.1% |
| 70254 | Jefferson Pilot Financial Insurance Company | 2 | 0.0% | 2 | 100.0% | 0 | 0.0% | 0 | 0.0% |
| 95639 | Kaiser Fndtn Health Plan-Mid-Atl | 100 | 2.2% | 25 | 25.0% | 75 | 75.0% | 0 | 0.0% |
| 60321 | MAMSI Life & Health Ins Co | 353 | 7.7% | 160 | 45.3% | 159 | 45.0% | 34 | 9.6% |
| 96310 | MD-Individual Practive Assoc. | 125 | 2.7% | 67 | 53.6% | 44 | 35.2% | 14 | 11.2% |
| 97055 | Mega Life & Health Ins. Co. | 14 | 0.3% | 6 | 42.9% | 5 | 35.7% | 3 | 21.4% |
| 71412 | Mutual of Omaha Ins Co | 2 | 0.0% | 0 | 0.0% | 2 | 100.0% | 0 | 0.0% |
| 66869 | Nationwide Life Ins Co | 7 | 0.2% | 3 | 42.9% | 4 | 57.1% | 0 | 0.0% |
| 96940 | Optimum Choice, Inc. | 583 | 12.7% | 301 | 51.6% | 219 | 37.6% | 63 | 10.8% |
| 95641 | Preferred Health Network | 79 | 1.7% | 45 | 57.0% | 29 | 36.7% | 5 | 6.3% |
| 68381 | Reliance Standard Life Ins Co | 4 | 0.1% | 4 | 100.0% | 0 | 0.0% | 0 | 0.0% |

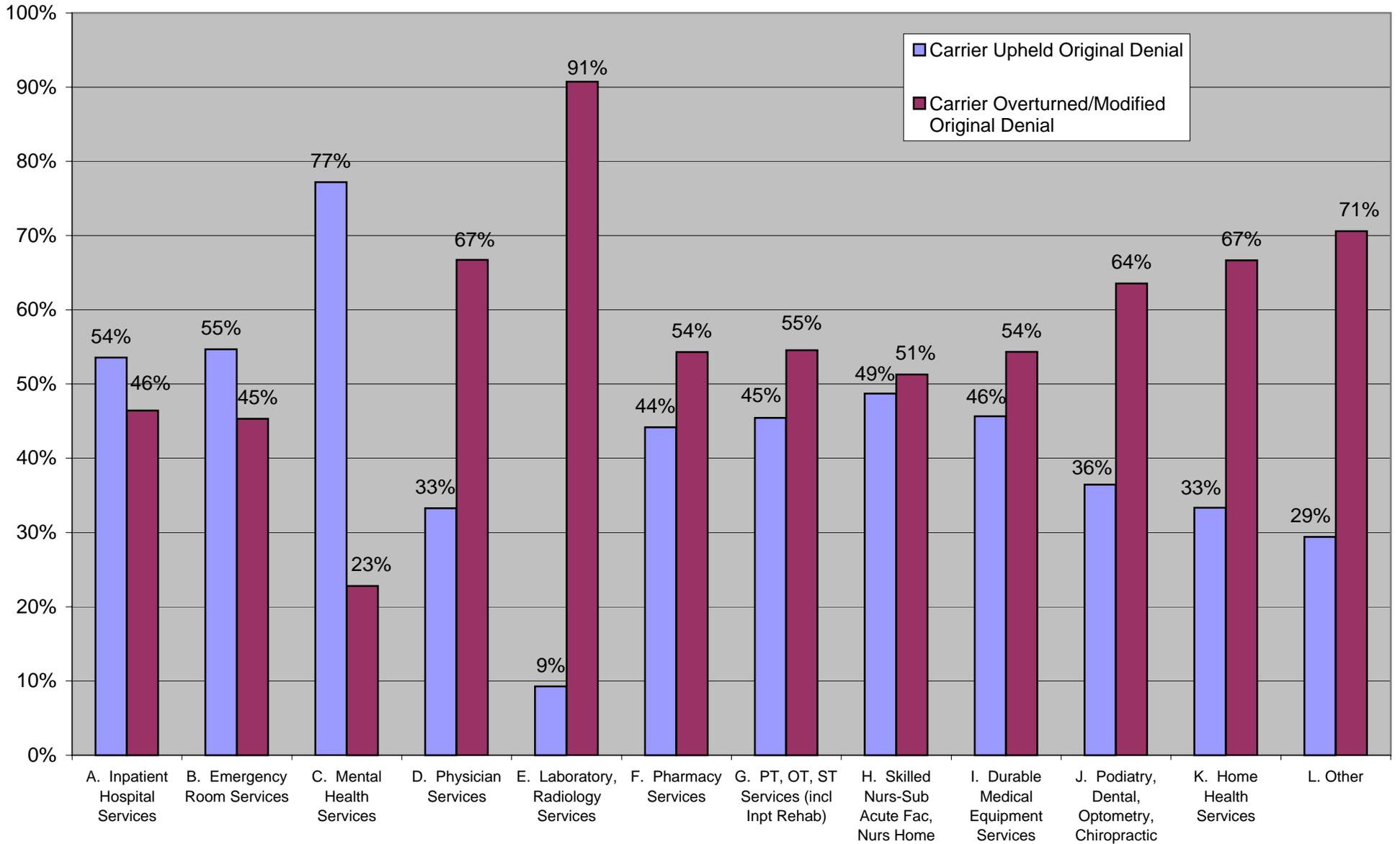
INTERNAL GRIEVANCES - CARRIER DISPOSITION REPORTED BY SERVICE - 1999



INTERNAL GRIEVANCES - CARRIER DISPOSITION REPORTED BY SERVICE - 2000

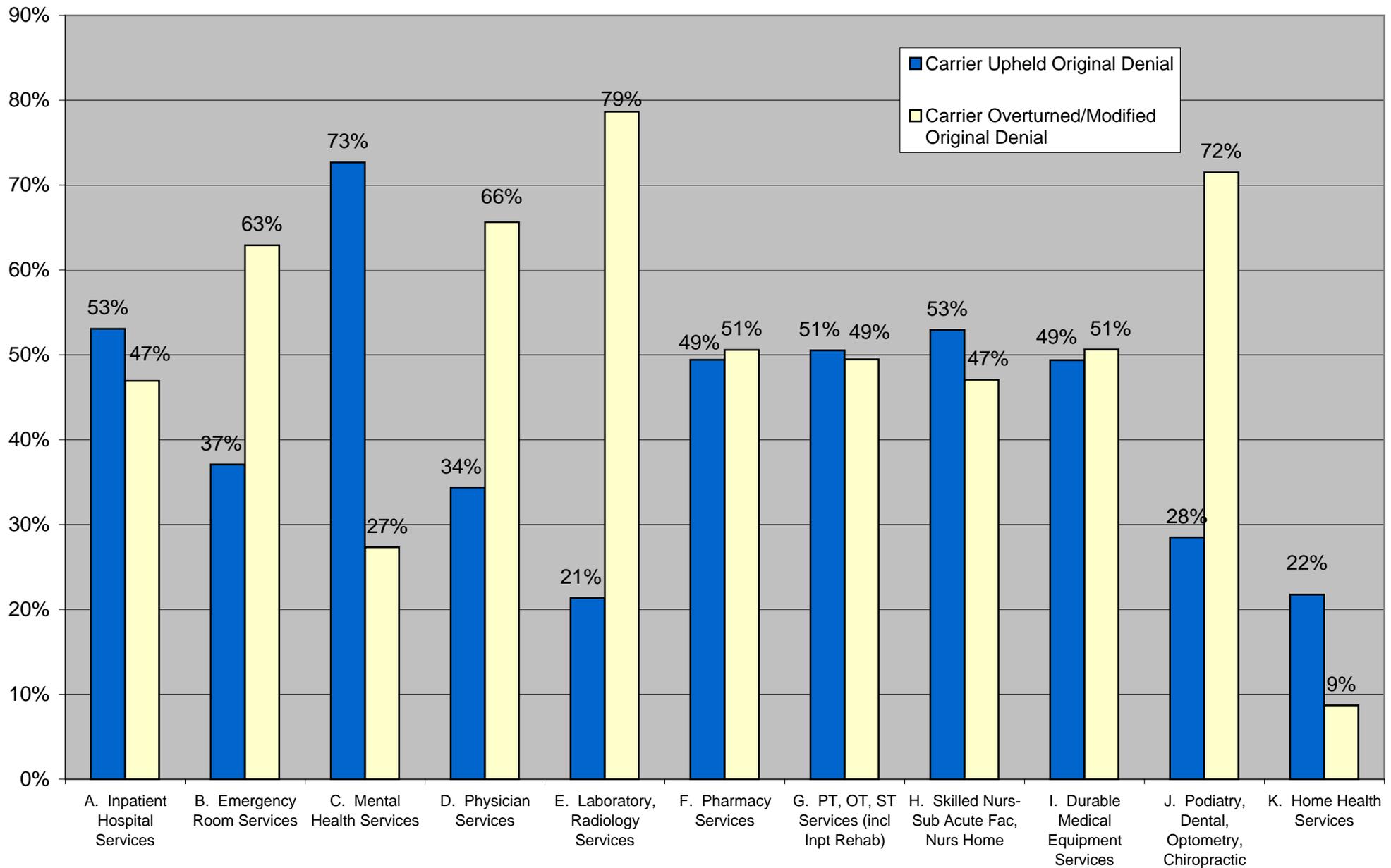


INTERNAL GRIEVANCES - CARRIER DISPOSITION REPORTED BY SERVICE - 2001



***L. Outpatient Hospital Services, Education Services, and Transportation**

INTERNAL GRIEVANCES - CARRIER DISPOSITION REPORTED BY SERVICE - 2002



**APPEALS AND GRIEVANCES
EMERGENCY CASES - RESOLUTION TIME* - 2002**

| NAIC # | COMPANY** NAME | EMERGENCY CASES - RESOLUTION TIME* | | | |
|--------|----------------------------------------|------------------------------------|-------------|-------------|-------------|
| | | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| 95590 | Aetna US Healthcare, Inc. | 48 | 24 | 7 | 10 |
| 96202 | CareFirst BlueChoice, Inc | 0 | 3 | 3 | 12 |
| 47058 | CareFirst of Maryland, Inc. | 22 | 8 | 8 | 16 |
| 95599 | CIGNA Healthcare Mid-Atlantic, Inc | 30 | 24 | 1 | 4 |
| 62308 | Connecticut General Life Insurance | 13 | 0 | 0 | 0 |
| 62413 | Continental Assurance Co | 96 | 0 | 0 | 0 |
| 96460 | Coventry | 4 | 6 | 0 | 0 |
| 95572 | Freestate Health Plan, Inc. | 0 | 2 | 5 | 8 |
| 95846 | Group Dental Service of Maryland, Inc. | 1 | 1 | 1 | 1 |
| 53007 | Group Hosp & MedServ, Inc. | 0 | 12 | 15 | 20 |
| 95639 | Kaiser Fndtn Health Plan-Mid-Atl | 14 | 9 | 11 | 5 |
| 95641 | Preferred Health Network | 24 | 24 | 24 | 24 |

**This report only includes carriers who had grievances which were considered emergency cases during calendar year 2002

*Reported as hours

2002 - REPORTS - COMPANY DATA.xls, 5/27/03

**APPEALS AND GRIEVANCES
NON - EMERGENCY CASES - RESOLUTION TIME* - 2002**

| NAIC # | COMPANY NAME | NON-EMERGENCY CASES - RESOLUTION TIME* | | | |
|--------|----------------------------------------|----------------------------------------|-------------|-------------|-------------|
| | | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| 95590 | Aetna US Healthcare, Inc. | 12 | 12 | 16 | 12 |
| 90611 | Allianz Life Ins Co of N. America | 41 | 26 | 17 | 12 |
| 61301 | Ameritas Life Ins Co | 9 | 10 | 15 | 6 |
| 96202 | CareFirst BlueChoice, Inc | 28 | 31 | 37 | 28 |
| 47058 | CareFirst of Maryland, Inc. | 25 | 33 | 38 | 36 |
| 80799 | Celtic Ins Co | 26 | 1 | 27 | 19 |
| 48119 | CIGNA Dental Health of MD, Inc. | 0 | 0 | 8 | 26 |
| 95599 | CIGNA Healthcare Mid-Atlantic, Inc | 20 | 21 | 22 | 21 |
| 77828 | Companion Life Insurance Co | 10 | 15 | 20 | 0 |
| 62308 | Connecticut General Life Insurance | 15 | 16 | 19 | 17 |
| 62413 | Continental Assurance Co | 0 | 0 | 0 | 86 |
| 71404 | Continental General Ins Co | 0 | 0 | 0 | 5 |
| 96460 | Coventry Health Care of Maryland, Inc. | 5 | 17 | 10 | 18 |
| 95574 | Delmarva Health Plan, Inc. | 26 | 20 | 52 | 23 |
| 47040 | Dental Benefit Providers of MD, Inc. | 5 | 0 | 5 | 5 |
| 43010 | Fidelity Ins Co of MD | 28 | 26 | 23 | 27 |
| 69477 | Fortis Insurance Co (Fortis Health) | 0 | 21 | 0 | 11 |
| 95572 | Freestate Health Plan, Inc. | 26 | 27 | 52 | 28 |
| 80926 | GE Group Life Assurance Co | 0 | 0 | 2 | 2 |
| 62286 | Golden Rule Insurance Co | 0 | 0 | 0 | 8 |
| 95846 | Group Dental Service of Maryland, Inc. | 14 | 7 | 5 | 4 |
| 53007 | Group Hosp & MedServ, Inc. | 21 | 10 | 31 | 33 |
| 64246 | Guardian Life Ins Co Of America | 7 | 24 | 22 | 29 |
| 95639 | Kaiser Fndtn Health Plan-Mid-Atl | 28 | 27 | 27 | 20 |
| 60321 | MAMSI Life & Health Ins Co | 23 | 24 | 23 | 24 |
| 96310 | MD-Individual Practive Assoc. | 23 | 26 | 27 | 27 |
| 97055 | Mega Life & Health Ins. Co. | 10 | 14 | 19 | 0 |
| 71412 | Mutual of Omaha Ins Co | 1 | 0 | 0 | 1 |
| 66869 | Nationwide Life Ins Co | 3 | 30 | 30 | 2 |
| 96940 | Optimum Choice, Inc. | 23 | 23 | 24 | 25 |
| 95641 | Preferred Health Network | 27 | 24 | 26 | 31 |
| 68381 | Reliance Standard Life Ins Co | 1 | 4 | 4 | 7 |
| 61425 | Trustmark Insurance Co | 0 | 0 | 16 | 24 |
| 80314 | UNICARE Life & Health Ins Co | 7 | 16 | 25 | 13 |
| 69868 | United of Omaha Life Ins Co | 23 | 10 | 10 | 12 |
| 97179 | United Wisconsin Life Ins Co | 13 | 11 | 39 | 25 |

*Reported as Calendar Days

2002 - REPORTS - COMPANY DATA.xls, 5/27/03

APPEALS AND GRIEVANCES

GRIEVANCES FILED INVOLVING HOSPITAL LENGTH OF STAY/DENIAL OF HOSPITAL DAYS - 2002

| NAIC # | COMPANY* NAME | HOSPITAL LOS TOTAL | UPHELD | | OVERTURNED | | MODIFIED | |
|--------|----------------------------------------|-----------------------|--------|---------|------------|---------|----------|---------|
| | | | Number | Percent | Number | Percent | Number | Percent |
| 95590 | Aetna US Healthcare, Inc. | 62 | 18 | 29.0% | 43 | 69.4% | 1 | 1.6% |
| 96202 | CareFirst BlueChoice, Inc | 57 | 43 | 75.4% | 11 | 19.3% | 3 | 5.3% |
| 47058 | CareFirst of Maryland, Inc. | 188 | 154 | 81.9% | 23 | 12.2% | 11 | 5.9% |
| 95599 | CIGNA Healthcare Mid-Atlantic, Inc | 34 | 15 | 44.1% | 15 | 44.1% | 4 | 11.8% |
| 62308 | Connecticut General Life Insurance | 26 | 12 | 46.2% | 13 | 50.0% | 1 | 3.8% |
| 96460 | Coventry Health Care of Maryland, Inc. | 6 | 4 | 66.7% | 2 | 33.3% | 0 | 0.0% |
| 95574 | Delmarva Health Plan, Inc. | 4 | 4 | 100.0% | 0 | 0.0% | 0 | 0.0% |
| 69477 | Fortis Insurance Co (Fortis Health) | 2 | 2 | 100.0% | 0 | 0.0% | 0 | 0.0% |
| 95572 | Freestate Health Plan, Inc. | 21 | 16 | 76.2% | 4 | 19.0% | 1 | 4.8% |
| 80926 | GE Group Life Assurance Co | 1 | 1 | 100.0% | 0 | 0.0% | 0 | 0.0% |
| 53007 | Group Hosp & MedServ, Inc. | 37 | 31 | 83.8% | 5 | 13.5% | 1 | 2.7% |
| 64246 | Guardian Life Ins Co Of America | 13 | 9 | 69.2% | 4 | 30.8% | 0 | 0.0% |
| 95639 | Kaiser Fndtn Health Plan-Mid-Atl | 17 | 9 | 52.9% | 8 | 47.1% | 0 | 0.0% |
| 60321 | MAMSI Life & Health Ins Co | 77 | 31 | 40.3% | 29 | 37.7% | 17 | 22.1% |
| 96310 | MD-Individual Practive Assoc. | 25 | 13 | 52.0% | 8 | 32.0% | 4 | 16.0% |
| 66869 | Nationwide Life Ins Co | 1 | 0 | 0.0% | 1 | 100.0% | 0 | 0.0% |
| 96940 | Optimum Choice, Inc. | 103 | 55 | 53.4% | 29 | 28.2% | 19 | 18.4% |
| 95641 | Preferred Health Network | 51 | 39 | 76.5% | 8 | 15.7% | 4 | 7.8% |
| 61425 | Trustmark Insurance Co | 1 | 0 | 0.0% | 1 | 100.0% | 0 | 0.0% |
| 80314 | UNICARE Life & Health Ins Co | 2 | 2 | 100.0% | 0 | 0.0% | 0 | 0.0% |
| 69868 | United of Omaha Life Ins Co | 1 | 0 | 0.0% | 0 | 0.0% | 1 | 100.0% |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

UP - UPHELD
OV - OVERTURNED
Mod - MODIFIED

***This chart only includes those carriers who had grievances involving
 hospital length of stay during calendar year 2002.**

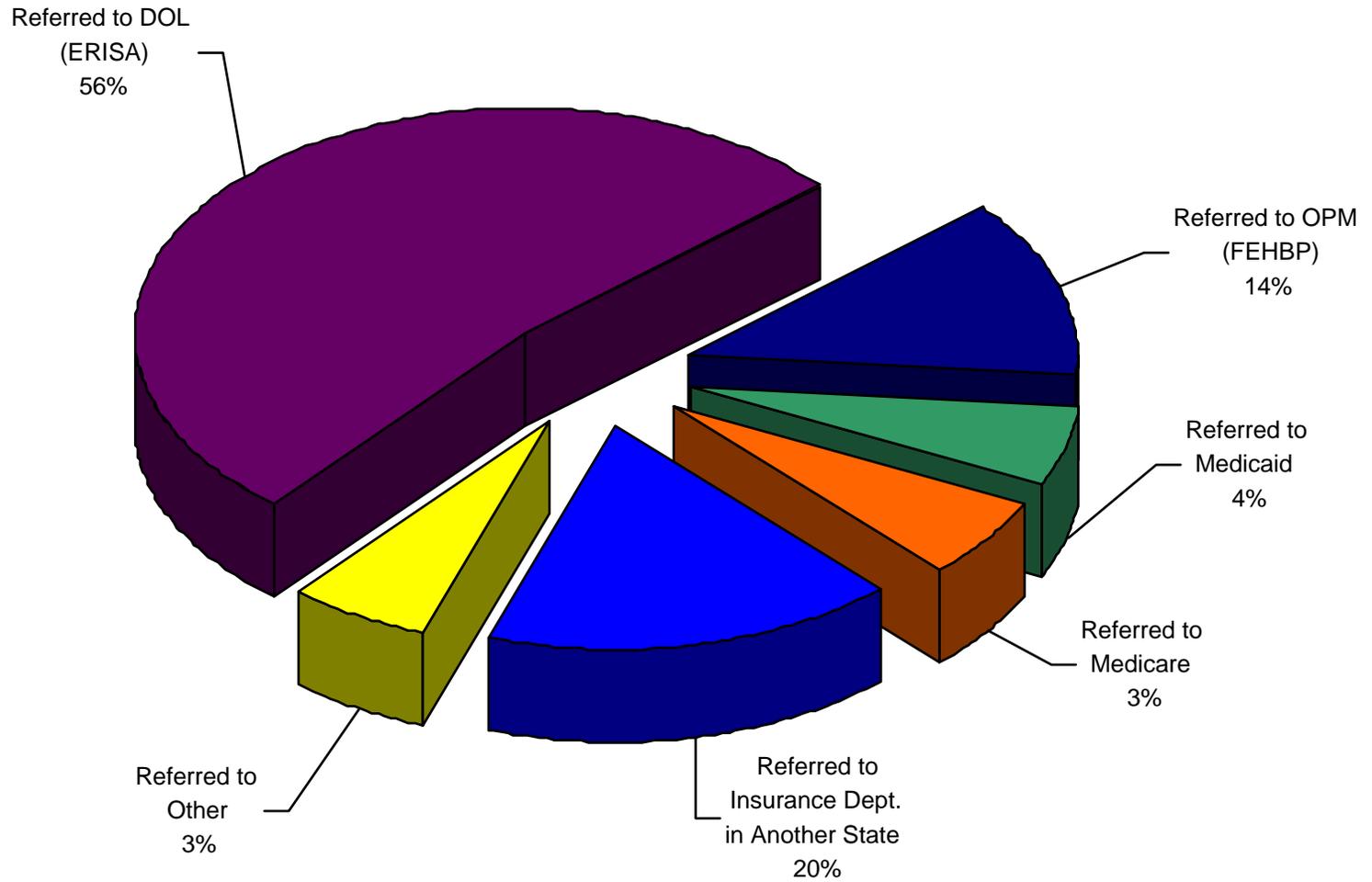
***Appeal And Grievance Statistics
Dispositions Of Complaints Filed
January 1, 2002 – December 31, 2002***

COMPLAINTS FILED

1308

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| NO JURISDICTION | 362 |
| Referred to DOL (Self-funded/ERISA) | 201 |
| Referred to OPM (Federal Employee) | 50 |
| Referred to Medicaid | 15 |
| Referred to Medicare | 11 |
| Referred to Insurance Department | |
| In Another State | 73 |
| Referred to Other* | 12 |
| *Includes complaints referred to Workers Compensations Commissioner, DHMH if issue is exclusively quality of care, Board of Physicians Quality Assurance. | |
| COMPLAINT WITHDRAWN | 11 |
| INSUFFICIENT INFORMATION | 97 |
| NO ACTION REQUIRED | 97 |
| Includes cases transferred to Life & Health, Duplicate file, Advised Complainant | |
| COMPLAINANT FAILED TO EXHAUST INTERNAL GRIEVANCE PROCESS | 374 |
| CARRIER REVERSED ITSELF DURING INVESTIGATION | 120 |
| CARRIER UPHeld BY MIA | 181 |
| CARRIER REVERSED BY MIA | 52 |
| CARRIER MODIFIED BY MIA | 14 |

Appeals & Grievance No Jurisdiction January 2002 - December 2002



**APPEALS & GRIEVANCE
DISPOSITION OF CASES
FORWARDED TO DHMH
BY THE APPEALS & GRIEVANCE UNIT
JANUARY - DECEMBER 2002**

| Description | Complaints Forwarded | |
|-------------------------------------------------------------------------------|----------------------|-------------|
| | Number | Percent |
| Total Cases Forwarded to DHMH by the Appeals & Grievance Unit* | 37 | 100% |
| Categories of Complaints Referred to DHMH: | | |
| - Mixed jurisdiction - DHMH & MIA investigations | 28 | 76% |
| - Complaint solely within DHMH jurisdiction | 2 | 5% |
| - DHMH determined that it has no jurisdiction | 7 | 19% |

* This number does not include cases which are forwarded to DHMH by the Life & Health Section of the Insurance Administration.

**SUMMARY OF APPEALS AND GRIEVANCE
COMPLAINTS INVESTIGATED BY MIA
LISTED BY CARRIER
JANUARY - DECEMBER 2002**

| Carrier | COMPLAINTS INVESTIGATED | | Carrier Upheld by MIA | | Carrier Reversed by MIA | | Carrier Modified by MIA | | Carrier Reversed Itself During Investigation | |
|-----------------------------------|-------------------------|---------|-----------------------|------------|-------------------------|------------|-------------------------|-----------|----------------------------------------------|------------|
| | Total | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Aetna US Helthcare | 30 | 8% | 11 | 37% | 7 | 23% | 0 | 0% | 12 | 40% |
| CareFirst of Maryland | 119 | 32% | 68 | 57% | 14 | 12% | 7 | 6% | 30 | 25% |
| CareFirst Blue Choice, Inc. | 3 | 1% | 1 | 33% | 1 | 33% | 0 | 0% | 1 | 33% |
| CIGNA | 13 | 4% | 4 | 31% | 1 | 8% | 1 | 8% | 7 | 54% |
| Connecticut General | 4 | 1% | 0 | 0% | 0 | 0% | 0 | 0% | 4 | 100% |
| Coventry Health Care of DE, Inc. | 14 | 4% | 2 | 14% | 2 | 14% | 1 | 7% | 9 | 64% |
| Delmarva Health Plan | 1 | 0% | 1 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Dental Benefit Providers | 2 | 1% | 0 | 0% | 1 | 50% | 0 | 0% | 1 | 50% |
| Fidelity and Guaranty Life | 1 | 0% | 1 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Fidelity Ins Co | 5 | 1% | 4 | 80% | 1 | 20% | 0 | 0% | 0 | 0% |
| Fortis Benefits | 1 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 1 | 100% |
| Freestate | 10 | 3% | 6 | 60% | 0 | 0% | 1 | 10% | 3 | 30% |
| GE Financial Assurance | 1 | 0% | 1 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Group Hosp. & Med Services | 4 | 1% | 4 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Guardian | 3 | 1% | 1 | 33% | 0 | 0% | 0 | 0% | 2 | 67% |
| Kaiser Foundation | 18 | 5% | 9 | 50% | 2 | 11% | 0 | 0% | 7 | 39% |
| MAMSI | 57 | 16% | 37 | 65% | 7 | 12% | 2 | 4% | 11 | 19% |
| MD IPA | 17 | 5% | 6 | 35% | 6 | 35% | 0 | 0% | 5 | 29% |
| Mega Life & Health | 1 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 1 | 100% |
| Mutual of Omaha | 1 | 0% | 1 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Optimum Choice | 41 | 11% | 18 | 44% | 10 | 24% | 2 | 5% | 11 | 27% |
| PHN HMO | 10 | 3% | 5 | 50% | 0 | 0% | 0 | 0% | 5 | 50% |
| United Concordia Dental Plans | 1 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 1 | 100.0% |
| United Concordia Ins Co | 1 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 1 | 100% |
| United Healthcare of Mid-Atlantic | 9 | 2% | 1 | 11% | 0 | 0% | 0 | 0% | 8 | 89% |
| TOTAL | 367 | | 181 | 49% | 52 | 14% | 14 | 4% | 120 | 33% |

**SUMMARY OF APPEALS AND GRIEVANCE
COMPLAINTS INVESTIGATED BY MIA
LISTED BY SERVICE
JANUARY - DECEMBER 2002**

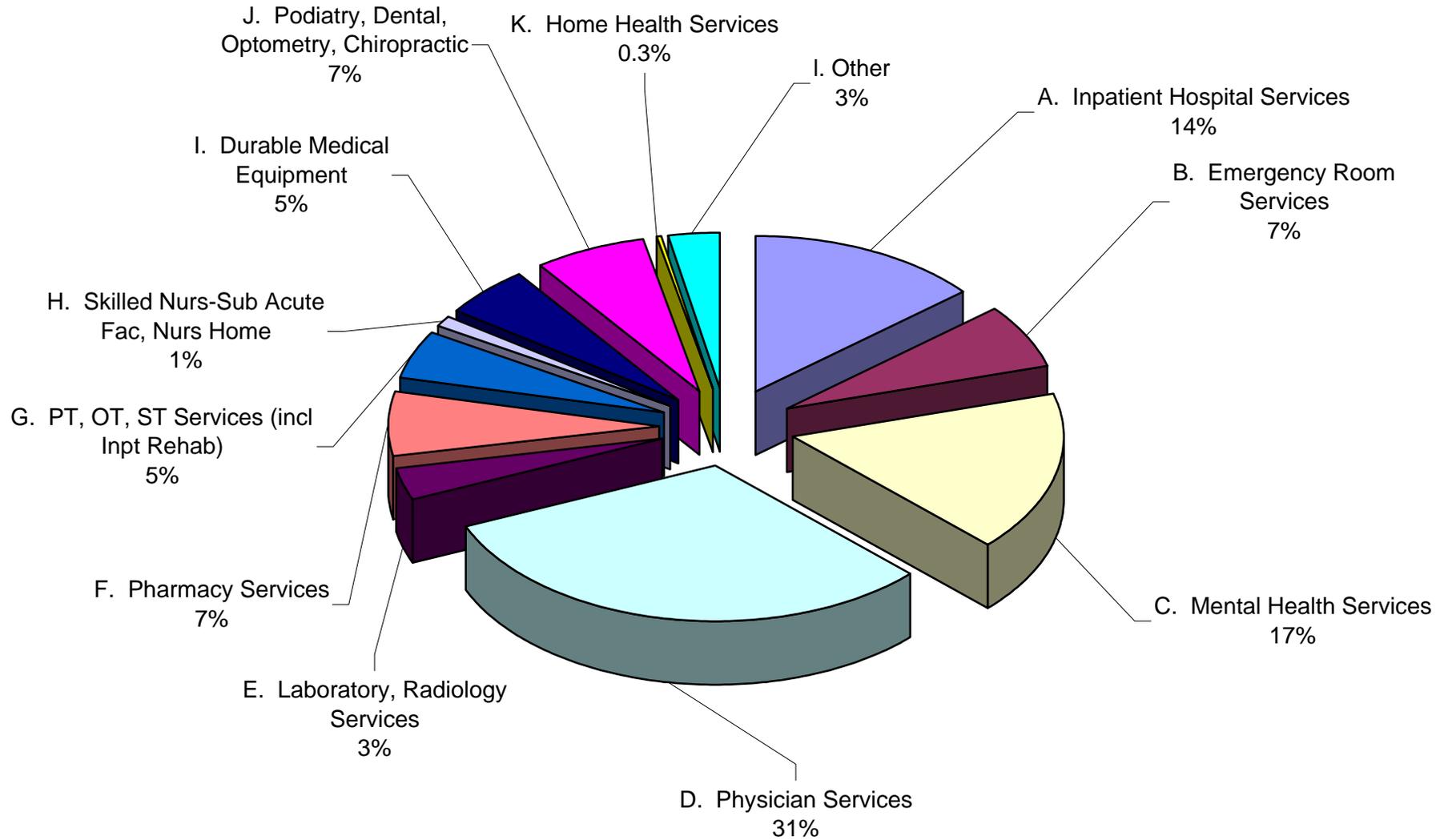
| Type of Procedure | Carrier Code** | Total | Carrier Upheld by MIA | | Carrier Reversed by MIA | | Carrier Modified by MIA | | Carrier Reversed Itself During Investigation | |
|-------------------------------------|----------------|------------|-----------------------|---------|-------------------------|---------|-------------------------|---------|----------------------------------------------|---------|
| | | | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Breast Reduction | D | 2 | 0 | 0% | 0 | 0% | 0 | 0% | 2 | 100% |
| Claim Payment | L | 3 | 1 | 33% | 0 | 0% | 0 | 0% | 2 | 67% |
| Cosmetic | D | 3 | 2 | 67% | 0 | 0% | 0 | 0% | 1 | 33% |
| Denial of Claim | L | 3 | 3 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Denial of Hospital Days | A | 41 | 21 | 51% | 14 | 34% | 4 | 10% | 2 | 5% |
| Dental | J | 24 | 10 | 42% | 1 | 4% | 1 | 4% | 12 | 50% |
| Durable Medical Equipment | I | 19 | 12 | 63% | 1 | 5% | 0 | 0% | 6 | 32% |
| Emergency Treatment | B | 24 | 13 | 54% | 2 | 8% | 0 | 0% | 9 | 38% |
| Experimental | D | 17 | 13 | 76% | 4 | 24% | 0 | 0% | 0 | 0% |
| Eye Care Services | J | 1 | 0 | 0% | 0 | 0% | 0 | 0% | 1 | 100% |
| Home Health Care | K | 1 | 1 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Hospital Length of Stay | A | 9 | 6 | 67% | 2 | 22% | 1 | 11% | 0 | 0% |
| In-Patient Hospital Day | A | 1 | 0 | 0% | 0 | 0% | 1 | 100% | 0 | 0% |
| Lab, Imaging, Testing | E | 12 | 6 | 50% | 0 | 0% | 0 | 0% | 6 | 50% |
| Mental Health (Inpatient) Services | C | 41 | 13 | 32% | 8 | 20% | 6 | 15% | 14 | 34% |
| Mental Health (Outpatient) Services | C | 21 | 9 | 43% | 2 | 10% | 1 | 5% | 9 | 43% |
| Other | L | 4 | 3 | 75% | 0 | 0% | 0 | 0% | 1 | 25% |
| Out Patient Services | G | 1 | 0 | 0% | 0 | 0% | 0 | 0% | 1 | 100% |
| Pharmacy | F | 25 | 12 | 48% | 0 | 0% | 0 | 0% | 13 | 52% |
| Physical Therapy | G | 2 | 0 | 0% | 0 | 0% | 0 | 0% | 2 | 100% |
| Physician Services | D | 93 | 45 | 48% | 13 | 14% | 0 | 0% | 35 | 38% |
| PT, OT, Speech Therapy | G | 13 | 8 | 62% | 2 | 15% | 0 | 0% | 3 | 23% |
| Rehabilitation Services | G | 2 | 0 | 0% | 1 | 50% | 0 | 0% | 1 | 50% |
| Skilled Nursing | H | 4 | 2 | 50% | 2 | 50% | 0 | 0% | 0 | 0% |
| Transportation Services | L | 1 | 1 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| TOTAL | | 367 | 181 | | 52 | | 14 | | 120 | |

** All carrier data is divided into categories A-L. The MIA's data is more specific in nature. All charts which compare Carrier and MIA data have combined the MIA categories to fit within the carrier's A-L categories. The letters above identify which MIA category corresponds to the carrier code.

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| |
|----------------------------------------------------|
| A. Inpatient Hospital Services |
| Denial of Hospital Days |
| Hospital Length of Stay |
| Inpatient Hospital Stay |
| B. Emergency Room Services |
| Emergency Treatment |
| C. Mental Health Services |
| Mental Health (Inpatient) Services |
| Mental Health (Outpatient) Services |
| Substance Abuse (Inpatient) Services |
| Substance Abuse (Outpatient) Services |
| D. Physician Services |
| Acupuncture |
| Breast Reduction |
| Clinical Trial |
| Cosmetic |
| Experimental |
| Physician Services |
| Quality of Care |
| E. Laboratory, Radiology Services |
| Lab, Imaging, Testing |
| F. Pharmacy Services |
| Pharmacy |
| G. PT, OT, ST Services (incl inpt rehab) |
| Inpatient Rehabilitation |
| Out Patient Rehab |
| Physical Therapy |
| PT, OT, Speech Therapy |
| Rehabilitation Services |
| Speech Therapy |
| H. Skilled Nurs-Sub Acute Fac, Nurs Home |
| Assisted Living |
| Skilled Nursing |
| I. Durable Medical Equipment |
| Durable Medical Equipment |
| J. Podiatry, Dental Optometry, Chiropractic |
| Dental |
| K. Home Health Services |
| Home Health Care |
| L. Other |
| Claim Payment |
| Coordination of Benefits |
| Denial of Claim |
| Educational Services |
| Policy Coverages |
| Review Carrier's Criteria |
| Transportation Services |
| Other |

MIA COMPLAINTS INVESTIGATED BY SERVICE - 2002

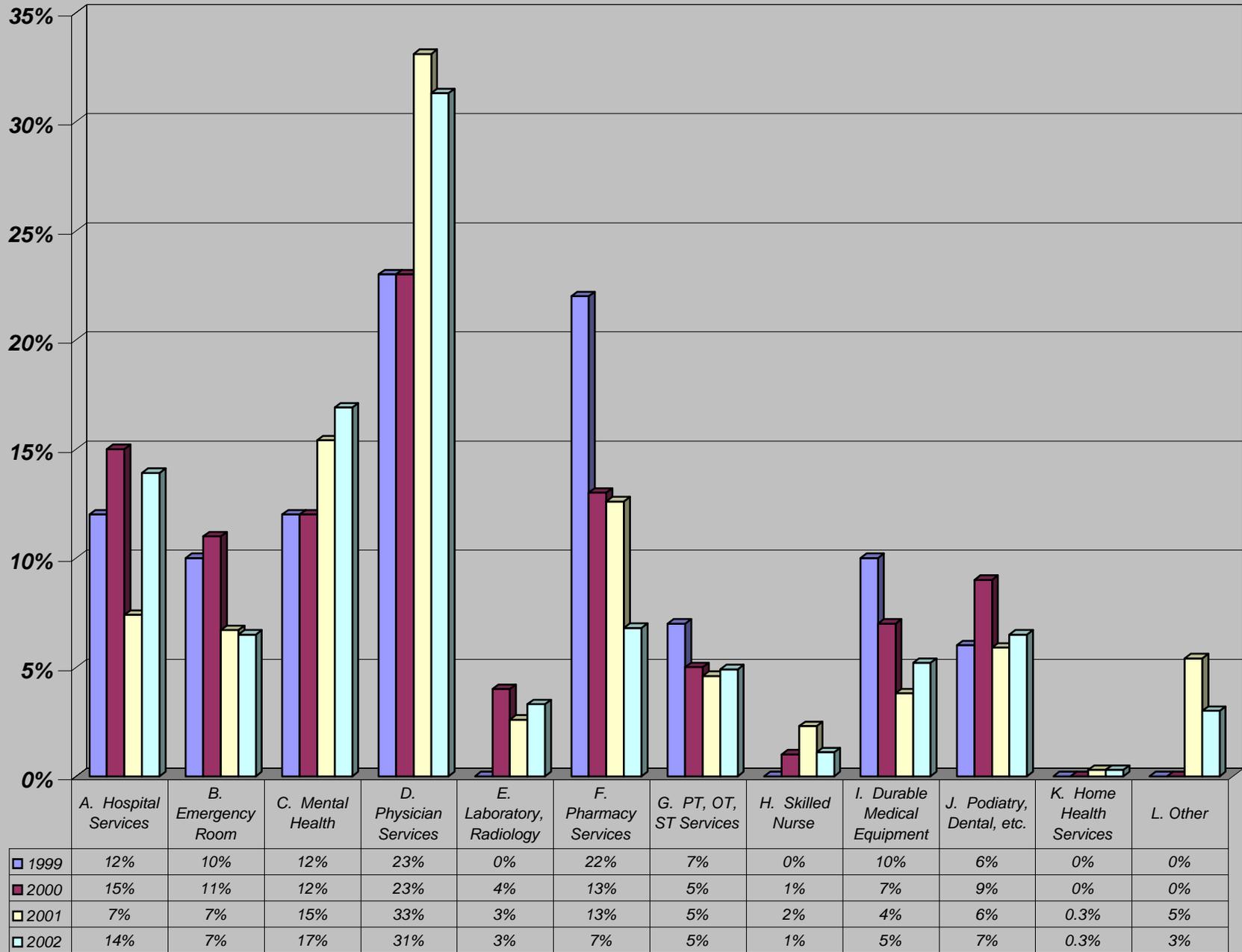


See attached description of what services are included in each procedure.

All carrier data is divided into categories A-L. The MIA's data is more specific in nature. All charts which compare Carrier and MIA data have combined the MIA categories to fit within the carrier's A-L categories. The letters above identify which MIA category corresponds to the carrier code.

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| Coordination of Benefits |
| Denial of Claim |
| Educational Services |
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| Transportation Services |
| Other |

COMPLAINTS INVESTIGATED BY MIA 1999 v 2000 v 2001 v 2002 BY SERVICE TYPE

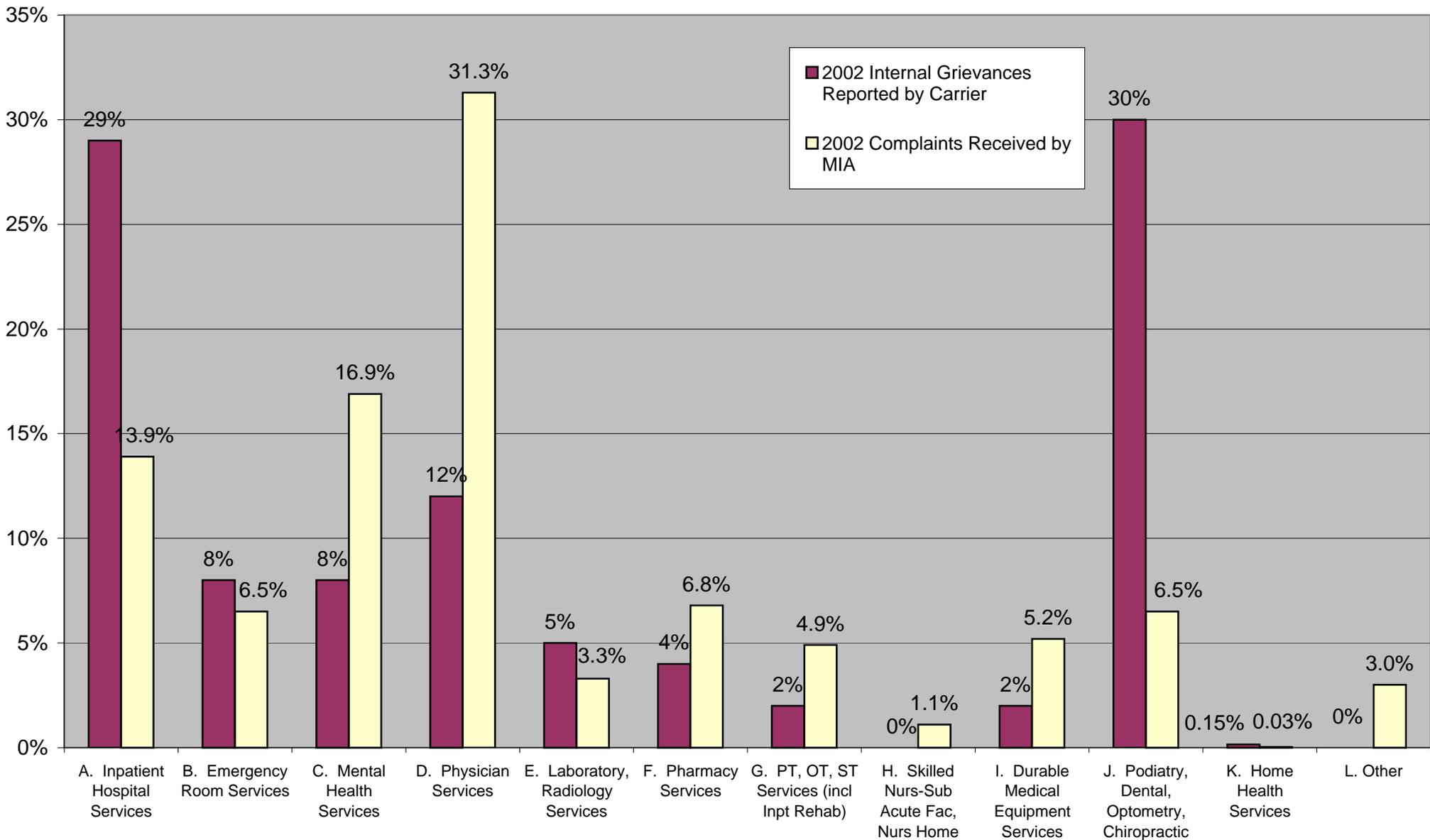


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| G. PT, OT, ST Services (incl inpt rehab) |
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| Skilled Nursing |
| I. Durable Medical Equipment |
| Durable Medical Equipment |
| J. Podiatry, Dental Optometry, Chiropractic |
| Dental |
| K. Home Health Services |
| Home Health Care |
| L. Other |
| Claim Payment |
| Coordination of Benefits |
| Denial of Claim |
| Educational Services |
| Policy Coverages |
| Review Carrier's Criteria |
| Transportation Services |
| Other |

2002 COMPARISON OF CARRIER REPORTED DATA AND MIA DATA



See attached description of what services are included in each procedure.

All carrier data is divided into categories A-L. The MIA's data is more specific in nature. All charts which compare Carrier and MIA data have combined the MIA categories to fit within the carrier's A-L categories. The letters above identify which MIA category corresponds to the carrier code.

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| K. Home Health Services |
| Home Health Care |
| L. Other |
| Claim Payment |
| Coordination of Benefits |
| Denial of Claim |
| Educational Services |
| Policy Coverages |
| Review Carrier's Criteria |
| Transportation Services |
| Other |

MIA CONSUMER QUESTIONNAIRE 2002

| STATISTICAL RESULTS <i>1/1/02 - 12/31/02</i> | APPEALS & GRIEVANCES | |
|--------------------------------------------------------|---------------------------------|------|
| | Quantity | % |
| Questionnaires Sent <i>through</i> <i>12/31/02</i> | 307 | 100% |
| Response Received <i>through</i> <i>12/31/02</i> | 70 | 23% |

| QUESTION TO CONSUMER | APPEALS & GRIEVANCES | | |
|-------------------------------------------------------------------------------------------|---------------------------------|-----------|-------------|
| | RESPONSE | # | % |
| Did the MIA investigator inform you of the complaint process to your satisfaction? | <i>Total</i> | 70 | 100% |
| | Yes | 64 | 91% |
| | No | 4 | 6% |
| | Unable to Evaluate | 2 | 3% |
| | No Response | 0 | 0% |

| QUESTION TO CONSUMER | APPEALS & GRIEVANCES | | |
|--------------------------------------------------------------------------------------------|---------------------------------|-----------|-------------|
| | RESPONSE | # | % |
| Did the MIA inform you of the final outcome of your complaint to your satisfaction? | <i>Total</i> | 70 | 100% |
| | Yes | 60 | 86% |
| | No | 6 | 9% |
| | Unable to Evaluate | 2 | 3% |
| | No Response | 2 | 3% |

MIA CONSUMER QUESTIONNAIRE 2002

| QUESTION TO CONSUMER | APPEALS & GRIEVANCES | | |
|-------------------------------------------------------------------|----------------------|-----------|-------------|
| | RESPONSE | # | % |
| Would you use the MIA's complaint system again if the need arose? | Total | 70 | 100% |
| | Yes | 65 | 93% |
| | No | 1 | 1% |
| | Unable to Evaluate | 3 | 4% |
| | No Response | 1 | 1% |

| QUESTION TO CONSUMER | APPEALS & GRIEVANCES | | |
|-----------------------------------------------------------------|----------------------|-----------|-------------|
| | RESPONSE | # | % |
| Was the final outcome of your complaint resolved in your favor? | Total | 70 | 100% |
| | Yes | 49 | 70% |
| | No | 18 | 26% |
| | Unable to Evaluate | 2 | 3% |
| | No Response | 1 | 1% |

| QUESTION TO CONSUMER | APPEALS & GRIEVANCES | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------|-------------|
| | RESPONSE | # | % |
| If you went through the <u>insurance company's internal grievance procedure</u> prior to filing your complaint with the MIA, were you satisfied with the company's procedure? | Total | 70 | 100% |
| | Very Satisfied | 0 | 0% |
| | Satisfied | 12 | 17% |
| | Not Satisfied | 45 | 64% |
| | Not Applicable | 8 | 11% |
| | No Response | 5 | 7% |

MIA CONSUMER QUESTIONNAIRE 2002

| QUESTION TO CONSUMER | APPEALS & GRIEVANCES | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------|-------------|
| | RESPONSE | # | % |
| <p>If you went through the insurance company's internal grievance procedure with the assistance of the Attorney General's Health Advocacy Unit ("HAU"), were you satisfied with the <i>explanation of the process</i> given to you by the HAU?</p> | Total | 70 | 100% |
| | Very Satisfied | 3 | 4% |
| | Satisfied | 9 | 13% |
| | Not Satisfied | 10 | 14% |
| | Not Applicable | 45 | 64% |
| | No Response | 3 | 4% |

| QUESTION TO CONSUMER | APPEALS & GRIEVANCES | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------|-------------|
| | RESPONSE | # | % |
| <p>If you went through the insurance company's internal grievance procedure with the assistance of the Attorney General's Health Advocacy Unit ("HAU"), were you satisfied with the <i>explanation of your grievance's final outcome</i>?</p> | Total | 70 | 100% |
| | Yes | 8 | 11% |
| | No | 14 | 20% |
| | Not Applicable | 40 | 57% |
| | No Response | 8 | 11% |

| QUESTION TO CONSUMER | APPEALS & GRIEVANCES | | |
|---------------------------------------------------------|----------------------|-----------|-------------|
| | RESPONSE | # | % |
| <p>How satisfied were you with the overall process?</p> | Total | 70 | 100% |
| | Very Satisfied | 37 | 53% |
| | Satisfied | 19 | 27% |
| | Not Satisfied | 11 | 16% |
| | Cannot Evaluate | 2 | 3% |
| | No Response | 1 | 1% |

How did you learn about the Maryland Insurance Administration ("MIA")?

